



# Comprehensive Annual Financial Report

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**Year Ended September 30, 2005**

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**City of Round Rock, Texas**

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**ROUND ROCK, TEXAS**  
PURPOSE. PASSION. PROSPERITY.

**CITY OF ROUND ROCK, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2005**

**ELECTED OFFICIALS**

*Nyle Maxwell, Mayor*  
*Alan McGraw, Mayor Pro-tem*  
*Rufus Honeycutt, Council Member*  
*Joe Clifford, Council Member*  
*Scott Rhode, Council Member*  
*Carlos T. Salinas, Council Member*  
*Ted Williamson, Council Member*

**MANAGEMENT STAFF**

*James R. Nuse, City Manager*  
*David Kautz, Assistant City Manager/Chief Financial Officer*

**OFFICIAL ISSUING REPORT**

*David Kautz, Assistant City Manager/Chief Financial Officer*



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## **INTRODUCTORY SECTION**







## **ROUND ROCK, TEXAS**

**PURPOSE. PASSION. PROSPERITY.**

November 22, 2005

Honorable Mayor and Members of the  
City Council  
City of Round Rock, Texas

The Comprehensive Annual Financial Report of the City of Round Rock, Texas for the fiscal year ended September 30, 2005, is submitted herewith. The City's Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City Charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants selected by the City Council.

Brockway, Gersbach, McKinnon & Niemeier, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Round Rock's financial statements for the year ended September 30, 2005. The independent auditors' report is located at the front of the financial section of this report.

### **Financial Statements Presentation**

The Comprehensive Annual Financial Report is divided into three sections. The Introductory Section includes the transmittal letter and an organization chart. The Financial Section includes the independent auditors' opinion, management's discussion and analysis (MD&A), the basic financial statements with notes thereto and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors. The statistical section includes various schedules of unaudited data depicting the financial history of the City over the past ten years as well as demographic and miscellaneous statistics.

**Mayor**

Nyle Maxwell

**Mayor Pro-tem**

Alan McGraw

**Council Members**

Rufus Honeycutt

Joe Clifford

Carlos T. Salinas

Scott Rhode

Ted Williamson

**City Manager**

James R. Nuse, P.E.

**City Attorney**

Stephan L. Sheets

## **City of Round Rock Profile**

The City of Round Rock, Texas, established in 1851, is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government with six council members and a mayor. The City Manager is appointed by the City Council and is responsible to them for managing and administering all City affairs.

The Assistant City Manager/Chief Financial Officer and the Finance Director are appointed by the City Manager. The Finance Director is responsible for supervising the operations of the Finance Department. This Department maintains all accounting records of the City.

The financial reporting entity (the government) includes all the funds of the primary government (the City of Round Rock as legally defined) as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services, which includes police and fire protection, parks and library, public health and social services, planning and zoning and general administrative services. In addition, the City owns and operates a waterworks and sewer utility system. These activities are included in the accompanying financial statements.

Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, Round Rock Transportation System Development Corporation revenues are reported in a special revenue fund of the City while capital improvements are reported in a capital project fund of the City.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.

Budgetary control is maintained at the department level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of balances are not released until additional appropriations are made available. The City had no material encumbrances as of September 30, 2005.

## Significant Local Economic Events

As indicated in the body of this report, the City's financial condition remains healthy and has continued to improve year after year. The City's strong financial position is a result of prudent fiscal management as well as growth in the local economy experienced over the past several years. It is important to keep in mind the fact that Round Rock is located in the Austin-Round Rock Metropolitan Statistic Area (MSA) and within Williamson County. This area of central Texas has been one of the fastest growing areas in the nation. In March 2001, the 2000 census data was released and indicated that Round Rock, with a population listed at 61,136 had nearly doubled in size during the previous decade. Furthermore, the population growth was evidence that Round Rock was the fastest growing community when compared to cities that had at least 30,000 people in the 1990 census. Another way of looking at the information is that Round Rock grew by almost 100% from 1990 to 2000. Correspondingly, Williamson County, in which Round Rock is the largest city, grew by 79% over this period of time. The County was also one of five counties statewide responsible for 80% of all net migration into Texas for this period. As of the end of fiscal year 2005, Round Rock's population was estimated at 86,000.

In concert with these local growth statistics, Austin ranked fifth among the fastest-growing U.S. cities for the time period noted above. Clearly, this kind of growth sets the stage for not only economic opportunities like job creation and sales tax generation, but also increased demands for City services and infrastructure. Many of the issues Round Rock faces continue to be *regional* issues such as population growth, traffic concerns, road construction and water/wastewater availability, as such, Round Rock makes efforts to address these issues both at the local and regional level. To adequately prepare for the effect of this activity on the City, much effort goes into planning and funding infrastructure and service programs. Strategic planning, biennial budgeting and multi-year capital improvement project programming have become important tools in planning for the financial impact of a fast-growing community.

In 1998, Round Rock entered the ranks of the 20 largest sales tax producing cities in Texas. In 2000, the City led the state's largest cities in sales tax growth, a strong indicator of the vibrant economic activity present in the region over the past several years. As with the national economy, this activity has slowed down somewhat. In fiscal year 2002, the City experienced its first sales tax receipt shortfall in more than a decade.

After a decline from 2001 to 2002, sales tax receipts subsequent to fiscal year 2002 rebounded strongly, reflecting a recovering economy. Sales tax receipts for fiscal year 2005 were \$7,057,156 over fiscal year 2004. This figure represents an increase of 19%. Over the past 5 years, sales tax has increased 73% or an average growth rate of 11.6% per year. The sales tax revenue category produced 64.1% of the total revenue available to the City's general fund for this year, while the property tax levy produced 16.7%. Because of reliance on the sales tax, funding for operations is more sensitive to cyclical economic changes. While no adverse economic change is foreseen, financial operations are managed prudently and in anticipation of these economic influences.

Round Rock continues to see a healthy trend in single-family building permits issued with 1,332 permits issued in 2005. This compares to 1,317 permits issued in 2004 and 1,353 issued in 2003. Building activity is expected to remain strong, fueled by in-migration to the community while job creation will continue its healthy growth trends. The current unemployment rate in Round Rock is 3.7% and remains lower than the Austin metro and statewide rates of 4.4% and 5.4%, respectively.

Dell Computer has been in Round Rock since 1994 and continues to be a strong economic force in the community. Through operating efficiencies and successful marketing, Dell continues to show increased earnings. Latest figures show Dell to be up 14% in revenues and 18% in net income compared to the prior year.

Retail activity in Round Rock continues to see strength and expansion. La Frontera, a commercial and retail development west of Interstate 35 along State Highway 45 will provide expanded retail activity as it enters its sixth year in Round Rock. In addition, construction has begun on the Round Rock Premium Outlet retail center scheduled to open in fall 2006 north of Chandler Road at Interstate 35. The 430,000 square foot, \$ 100 million project will provide up to 140 high-end boutique and home furnishing tenants in an outdoor village setting. The center is expected to create up to 1,000 jobs, and generate more than \$5 million in local sales and property tax revenues. From 5 million to 7 million shoppers are expected annually to visit the outlet. Also notable were the recent openings of a second Wal-Mart Supercenter and a new H-E-B Plus concept store.

The City recognizes that a highly educated workforce is an important component of a well-rounded economic foundation. The City was instrumental in successfully obtaining state legislation for funding of the first permanent building for the Round Rock Higher Education Center (RRHEC) on 101 donated acres of land in northeast Round Rock. In conjunction with Texas State University, it is anticipated that the new campus will become a full-service college and play a significant role in the development of the northeast section of Round Rock as well as influence economic activity within the community. The first building of the new campus site is complete and began holding classes in the fall of 2005.

Round Rock is also seeing significant expansion in the health care industry. Round Rock Medical Center, which is part of the St. David's network and a full service hospital, has embarked on a \$ 58 million expansion project responding to the needs of the growing community. The first phase, a new three-story tower is expected to open in 2006. The entire expansion when complete will almost double the size of the current facility to 312,000 square feet. Scott and White, another regional healthcare provider, has purchased land for a day-surgery and testing facility in Round Rock and Seton Healthcare Network has purchased 75 acres of land adjacent to the Round Rock Higher Education Center and has announced plans for a hospital anticipated to open by 2010.

The local hotel/motel industry continues to be a particularly vibrant industry for Round Rock. In 1996, the City had 2 hotels with a total of 181 rooms. At the end of fiscal 2005, 21 hotels with 2,057 rooms were open for business maintaining solid occupancy rates. This strong industry bodes well for the hotel occupancy tax collections that support local tourism events and debt service for the Dell Diamond/United Heritage Convention Center complex. To ensure continued development and success of Round Rock's tourism industry, in 2004 the City created a convention and visitor's bureau (CVB) to market the City's tourism efforts as well as continue to implement the City's long-range tourism plan. With several area sports facilities in place and statewide events being planned, Round Rock is marketing its tourism brand as the "Sports Capital of Texas". Tourism is expected to become an expanded component of the City's overall economic development strategy.

In conjunction with the "Sports Capital of Texas" theme, the City's AA minor league baseball team, the Round Rock Express, became a AAA team in the 2005 season. This expansion will increase Round Rock's exposure across the United States, as the team is now affiliated with the Pacific Coast League and playing in several cities nationwide.

In November 2001, an \$ 89.8 million General Obligation bond authorization for streets, public safety, parks and general improvements was passed by more than a 2-1 margin, or 70%. These capital projects will be financed and constructed over a span of 6-8 years and represent a significant upgrade and expansion of the City's infrastructure. The City has issued \$ 54 million of the authorization and many of the improvements are well underway.

To continue to meet the projected service demands of existing and new customers, the water and wastewater utility faces a significant capital improvement program. The City recently completed a utility rate study conducted by an independent rate consulting firm. Findings from the study indicated the water and wastewater utility to be in good financial health. However, in order to fund the capital improvement program and to meet increasing system demand, small, multi-year rate increases are projected. Even with these projected increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

In August of 1997 voters of Round Rock approved an increase in the local sales and use tax rate of  $\frac{1}{2}$  of 1%. This increase in the sales and use tax rate went into effect January 1, 1998 and the proceeds are to be used for streets, roads, drainage and other related transportation system improvements, including the payment of maintenance expenses associated with such authorized projects. The additional revenues are not part of the operating budget but are budgeted and spent by a non-profit industrial development corporation established expressly to oversee the above purposes with the approval of the City Council. Collections for the past year exceeded \$ 14.5 million. Next year, revenue from this sales tax source is estimated to be higher than last year. These funds will help provide major improvements to the City's transportation system, significantly benefiting the local and regional economy.

Because traffic congestion is one of the central problems of Round Rock and the region, road projects are a high priority. Project completions scheduled over the next several months will bring significant improvement to local and commuter traffic, thereby helping to protect the region's economic well being. Work on Texas State Highway 45, a major highway project funded by state and local funds, is underway. This extremely important road project adjacent to Dell Computer and the La Frontera development will be completed in phases. The frontage roads in Round Rock were completed in 2002 and major structural components of the main lanes are well underway. Many other local road projects, also funded with local and state funds, are in planning or construction phases. Total current expenditure estimates for these various projects approximate \$ 400 million. The local portion, \$ 100 million, is funded largely by the one-half percent sales tax mentioned earlier. The City's road development is closely following the Comprehensive Transportation Master Plan which developed a short-term (10 year), a long-term (20 year) and ultimate term (build-out) transportation plans to serve the community needs. These efforts, along with the development of funding sources for transportation improvements, discussed above, are indicative of the City's commitment to preserving its economic base and quality of life.

### **Relevant Financial Policies**

#### **Accounting System and Controls**

It is the policy of the City to maintain a General Fund balance equivalent to at least three months of operations. Working capital in the Water/Wastewater Utility Fund is also maintained at a minimum of three months of operations. Balances in excess of the above levels are earmarked for future uses or reduced to the target levels over an appropriate length of time.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Cash Management**

The City's cash management and investment policy emphasizes the goals of maintaining safety and liquidity. The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they result from securities defaults or erosion of market value. The investment portfolio will also remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity is achieved by matching investment maturities with anticipated cash flow requirements, investing in securities with active secondary markets and maintaining appropriate portfolio diversification.

### **Risk Management**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool. The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation coverage.

### **Long-Term Financial Planning**

An underlying budgetary influence is the City's business model. More than 60% of the General Fund revenue is provided by the sales tax. A half-cent component of the two-cent local sales tax rate exists for the sole purpose of reducing the property tax rate. The result is a heavy reliance upon sales tax as a revenue source for operations and reduced reliance upon the property tax. The sales tax is a less stable revenue source than the property tax but provides more discretion to the taxpayer. Because of this revenue makeup, the City tends to carry higher fund balances, estimate sales tax revenue conservatively and introduce new programs somewhat more cautiously until projected revenue levels are established. The City is also more attentive to the health of its economy because of the reliance upon commerce to produce sales tax.

The City recognizes its reliance on sales tax revenue and continues to take measures to effectively manage this significant revenue source. A new financial management policy was enacted by the City in fiscal year 2005. It is designed to reduce operational reliance on sales tax generated from Dell Computer and to redirect some of those funds for long-term capital improvement projects thus reducing the amount of debt to be issued. This long-term approach to property tax rate management will allow the City to continue to benefit from the presence of Dell in the community for years to come. In addition, the City proactively monitors legislation at both the state and federal levels that may affect the collection of sales tax.

In addition, the City is taking a proactive approach to the financial planning for its future operations by developing a comprehensive 10-year operations plan. This plan will identify future service levels for the City's core functions defined as legislative and regulatory, police, fire, emergency medical response, open space and park facilities, recreation, library, urban infrastructure and water/wastewater utilities. Through this process, costs associated with maintaining a certain level of service will be estimated, public input will be sought and options on how to control costs and develop revenue sources to pay for services will be explored. The final result will provide the City with a comprehensive tool for future financial planning.

### **Prospects for the Future**

A growing population directly influences the housing industry and, ultimately, the property tax base. A significant trend in the number of housing starts has prevailed for the past several years and is expected to continue into the near future. It is important to note that Round Rock's extra-territorial jurisdiction (ETJ) contains over 9,000 acres of undeveloped property which will influence the demand for City services into the future.

The City of Round Rock is proud of its progressive and achievement-oriented history. However, the City continues to place strong emphasis on long-range planning and development so that traditional and future services for its citizens are provided at the highest level of reliability and quality. For the next fiscal year and into the near future, programs designed to effectively manage growth and stimulate economic activity will be continued.

As stated earlier, the local region and Round Rock saw rapid, unprecedented growth over the past decade. Population growth projections are expected to remain strong as the area economy continues to rebound. Correspondingly, the City's infrastructure, streets, utility systems and service delivery must be rapidly developed to serve a growing population. For the past several years, infrastructure expansions have concentrated on water and wastewater facilities. Streets and transportation improvements will continue to be a priority in the future as the City manages the significant growth discussed above.

As we look to the future, there are several key initiatives in process now that will shape the development of Round Rock for the next decade. For example, the first building of a planned full-service university campus has opened. The community development and opportunities presented by this type of institution are virtually unlimited. Not only will this campus shape the physical development of the northeast area of the City but also will influence knowledge and creativity in the community and will ensure continued success for Round Rock.



Economic development and diversification continues to be the City's top strategic priority. Two years ago, the City and the Round Rock Chamber of Commerce partnered to update the City's economic development program to identify how to enhance the City's image as a premier location for high growth industries. Efforts to implement the marketing plan were successful and we are now entering the next phase of the program. The City and the Round Rock Chamber of Commerce have now entered into an expanded economic development agreement that establishes a commission charged with overseeing the economic development efforts in the city. It also provides for the creation of an economic development work plan and increased funding for the economic development effort. This reinvigorated partnership is expected to yield a new, inspired approach to economic development for Round Rock.

With the City's natural commercial attractiveness, a strong economic development plan and a rebounding economy, the future of the community is bright.

### **Awards and Acknowledgements**

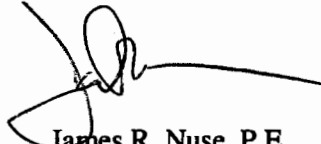
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Round Rock, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2004. This was the nineteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Round Rock also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2004. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its presentation. Acknowledgement is also given to Brockway, Gersbach, McKinnon & Niemeier, P.C. for their valuable assistance in production of the report. We would also like to thank the Mayor and Council members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

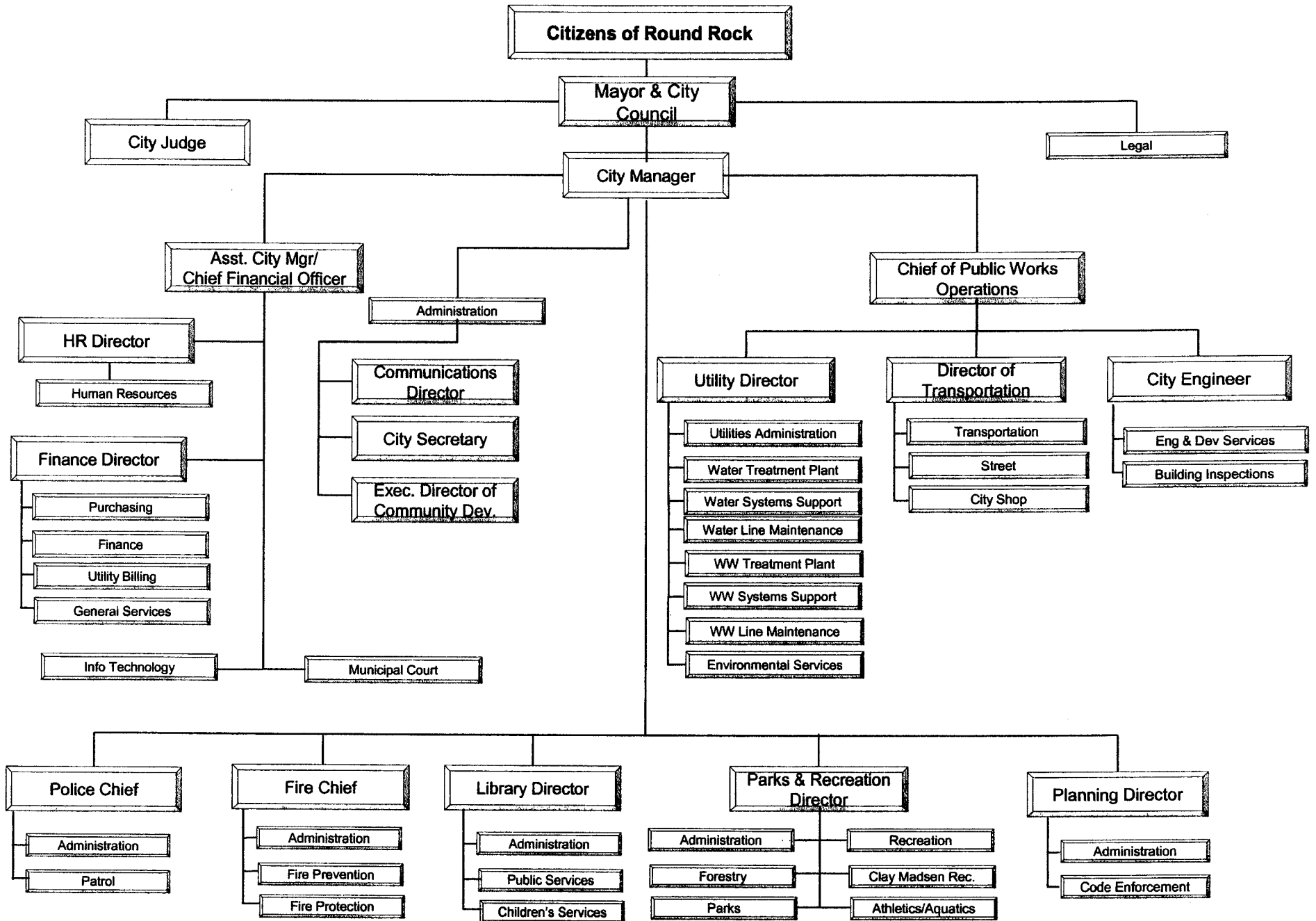
A handwritten signature in black ink, appearing to read 'J. Nuse', with a long horizontal line extending to the right.

James R. Nuse, P.E.  
City Manager

A handwritten signature in black ink, appearing to read 'D. Kautz', with a stylized 'K' and a small 'ant' written below it.

David Kautz, CGFO  
Assistant City Manager/  
Chief Financial Officer

# City Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Round Rock,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Enos*

Executive Director



## **FINANCIAL SECTION**





**BROCKWAY, GERSBACH, MCKINNON & NIEMEIER, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

The Honorable Mayor and  
City Council  
City of Round Rock, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Round Rock, Texas as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Round Rock's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Round Rock, Texas as of September 30, 2005, and the respective changes in financial position, and, where applicable cash flows, thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2005, on our consideration of the City of Round Rock's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction in assessing the results of our audit.



**Independent Auditors' Report**  
**(continued)**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Round Rock's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical section of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Brockway Atchbach McKinnon & Neimeier PC*

November 22, 2005

**City of Round Rock, Texas**  
**Management's Discussion and Analysis**  
**September 30, 2005**

The discussion and analysis of the City of Round Rock's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2005. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**Financial Highlights**

- The assets of the City of Round Rock exceeded its liabilities at the close of the most recent fiscal year by \$ 557,739,546 (*net assets*). Of this amount, \$ 101,444,375 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net assets increased by \$ 47,460,985. Approximately 38.9 percent of this increase is a result of contributions from developers.
- As of the close of the current fiscal year, the City of Round Rock's governmental funds reported combined ending fund balances of \$ 138,618,049, a decrease of \$ 319,327 in comparison with the prior year. The decrease is primarily a result of major progress in the City's capital projects programs. Approximately 43 percent of the total fund balance amount, \$ 59,677,467, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 28,705,017, or 49.7 percent of the total general fund expenditures.
- The City of Round Rock's total debt decreased by \$ 7,461,742 during the current fiscal year. The decrease was due to regularly scheduled debt principal retirement along with the advance refunding of \$ 19,305,000 in general obligation bonds and certificates of obligation by issuing \$ 19,915,000 in general obligation refunding bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City of Round Rock's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Round Rock's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Round Rock is improving or deteriorating.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
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The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Round Rock that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works and culture and recreation. The business-type activities of the City of Round Rock include a water and sewer utility and a golf course.

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Round Rock, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
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The City of Round Rock maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, the Round Rock Transportation System Development Corporation (RRTSDC) revenue and project funds, the self-financed construction fund and the 2004 General Obligation Bond fund, all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

**Proprietary funds.** The City of Round Rock maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility and for its golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-funded health insurance program. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility and for the golf course. The water and sewer utility is considered a major fund of the City. Since the golf course fund is the only remaining enterprise fund, it is being presented as a major fund even though it does not meet the criteria of a major fund established in GASB Statement Number 34. The internal service fund is a single presentation in the proprietary fund financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Encino Plaza Public Improvement District agency fund is reported in the statement of fiduciary net assets. The resources accounted for in this fund are excluded from the government-wide financial statements because these funds are not available to finance the City's operations. Consequently, the City is responsible for ensuring that these resources are used only for their intended purpose.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and individual fund schedules are presented immediately following the notes to the financial statements.

Additional information on capital assets used in the operation of governmental funds is provided following the individual fund schedules.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
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**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Round Rock, assets exceeded liabilities by \$ 557,739,546 as of September 30, 2005.

The largest portion of the City's net assets (64.2%) reflects its investments in capital assets (e.g., land, buildings and improvements, improvements other than buildings, machinery and equipment and construction in progress), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (17.6%) represents resources that are subject to external restriction on how they may be utilized. The remaining balance of unrestricted net assets \$ 101,444,375 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2005 and 2004, the City was able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

The following table provides a comparative summary of the City's net assets as of September 30, 2005 and 2004.

Net Assets (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 154,938	\$ 151,187	\$ 59,272	\$ 53,595	\$ 214,210	\$ 204,782
Capital assets	353,386	329,902	166,966	156,277	520,352	486,178
Total assets	508,325	481,088	226,237	209,872	734,562	690,960
Long term liabilities	163,022	167,774	1,339	1,227	164,361	169,001
Other liabilities	10,008	8,882	2,453	2,798	12,462	11,680
Total liabilities	173,030	176,656	3,792	4,025	176,823	180,681
Net assets:						
Invested in capital assets, net of related debt	191,410	213,972	166,696	153,896	358,105	367,868
Restricted	77,453	30,620	20,737	21,410	98,190	52,030
Unrestricted	66,432	59,840	35,012	30,541	101,444	90,381
Total net assets	\$ 335,295	\$ 304,432	\$ 222,445	\$ 205,847	\$ 557,740	\$ 510,279

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

**Analysis of Changes in Net Assets**

The following table summarizes the changes in the City's net assets from its activities for the fiscal year ended September 30, 2005 with comparisons to the previous year.

Changes in Net Assets (in 000's)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for services	\$ 7,009	\$ 6,132	\$ 27,589	\$ 25,448	\$ 34,598	\$ 31,581
Operating grants and contributions	626	660	-	-	626	660
Capital grants and contributions	14,436	11,768	1,187	662	15,623	12,430
General revenues:						
Property taxes	20,487	18,699	-	-	20,487	18,699
Franchise taxes	4,489	4,687	-	-	4,489	4,687
Sales tax	58,053	48,643	-	-	58,053	48,643
Hotel occupancy tax	1,905	1,650	-	-	1,905	1,650
Public service taxes	213	210	-	-	213	210
Impact fees	-	-	8,649	5,810	8,649	5,810
Grants and contributions not restricted to specific programs	-	-	6,166	8,056	6,166	8,056
Investment earnings	3,932	1,585	998	589	4,930	2,174
Miscellaneous	206	122	29	20	235	141
<b>Total Revenues</b>	<b>111,354</b>	<b>94,158</b>	<b>44,618</b>	<b>40,585</b>	<b>155,972</b>	<b>134,743</b>
Expenses:						
General government	20,282	19,714	-	-	20,282	19,714
Public safety	22,762	20,966	-	-	22,762	20,966
Public works	20,919	18,072	-	-	20,919	18,072
Culture and recreation	10,921	10,247	-	-	10,921	10,247
Interest on long term debt	8,359	7,433	-	-	8,359	7,433
Water and sewer utility	-	-	25,052	22,544	25,052	22,544
Golf course	-	-	216	173	216	173
<b>Total Expenses</b>	<b>83,244</b>	<b>76,433</b>	<b>25,267</b>	<b>22,717</b>	<b>108,511</b>	<b>99,149</b>
Increases in net assets before transfers	28,110	17,725	19,351	17,868	47,461	35,594
Transfers	2,752	2,736	(2,752)	(2,736)	-	-
<b>Increase in net assets</b>	<b>30,863</b>	<b>20,461</b>	<b>16,598</b>	<b>15,133</b>	<b>47,461</b>	<b>35,594</b>
Net assets, October 1, 2004	304,432	283,971	205,847	190,714	510,279	474,685
<b>Net assets, September 30, 2005</b>	<b>\$ 335,295</b>	<b>\$ 304,432</b>	<b>\$ 222,445</b>	<b>\$ 205,847</b>	<b>\$ 557,740</b>	<b>\$ 510,279</b>

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

**Governmental activities.** Governmental activities increased the City's net assets by \$ 30,862,617 or 65 percent of the total growth in the net assets of the City over the prior year. Key factors for the increase are as follows:

- Developer contributions of subdivision improvements approximated \$12.3 million and are included in program revenues of public works activities.
- Amounts received for property taxes increased from last year by about 9.6 percent primarily due to increased debt service requirements on recently issued bonds. Other factors included the addition of new property, an increase in assessed valuations and continued aggressive collection efforts.
- Sales taxes increased by 19.3 percent over the prior year as a result of strong population and economic growth along with an improving technology sector and additional retail outlets.

Overall, general revenues, while not shown by program, are used to fund governmental program activities citywide. Of these, sales taxes are the largest single source of funds comprising 52 percent of total revenues, while property taxes make up 18 percent of total revenues.

Expenses for governmental activities for the City totaled \$83,243,885 for the year ended September 30, 2005. Significant factors include the following:

- General government costs reflect a continuing multi-year economic development agreement with Dell Computer Corp. The City and Dell have developed a revenue sharing agreement whereby Dell and the City share sales tax generated by taxable computer sales within the state. Additional costs of general government operations include primarily personnel costs and professional services.
- Public safety program costs including police and fire department activities totaled almost \$23 million, or over 27 percent of total expenses for governmental activities. Most significant are personnel costs which totaled \$18.3 million.
- Public works program costs totaling \$ 20.9 million reflect primarily depreciation charges on infrastructure along with expansion of the City's street maintenance and improvement programs and significant personnel costs.

**Business-type activities.** Business-type activities increased the City's net assets by \$ 16,598,368 or 35 percent of the total growth in the net assets of the City over the prior year. Key factors for the increase follow.



**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

The City's water and sewer utility continues to show improvement in the number of customers and operating revenues. Scheduled uses of impact fees received have allowed current rates to remain stable while still providing adequate times coverage of utility bonded debt service. Comparative data for the past two fiscal years are presented as follows:

	<u>2005</u>	<u>2004</u>
Operating revenues	\$ 27,161,741	\$ 24,962,107
Operating income	\$ 1,977,057	\$ 2,455,512
Income available for debt service	\$ 9,744,891	\$ 9,115,613
Annual debt service	\$ 1,016,058	\$ 1,279,975
Coverage	9.59	7.12

In 2003, the City completed a comprehensive utility rate study. Findings from the study indicate the water/wastewater utility to be in good financial health. However, in order to fund the capital improvement program and to meet increasing system demand and operational cost pressures, multiple-year rate increases will be necessary. This fiscal year saw a 3% utility rate increase effective in January 2005. Even with the rate increases, Round Rock water and wastewater rates continue to be among the lowest in the region.

The rate adjustment, growth in the customer base, adequate system capacity and increased consumption levels combined to provide strong revenue growth over the prior year.

#### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Round Rock uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the fiscal year ended September 30, 2005, the City's governmental funds reported combined ending fund balances of \$ 138,618,049. Approximately 43 percent of this total amount (\$ 59,677,467) constitutes unreserved fund balance and is available for spending at the City's discretion. The remainder of fund balances is reserved to indicate that it is not available for new spending because it has already been committed to 1) pay debt service (\$ 2,600,354), 2) maintain an endowment (\$ 100,000), 3) fund authorized capital projects (\$ 75,863,062), or 4) a variety of other restricted purposes (\$ 377,166).

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

The general fund is the chief operating fund of the City. At the close of the current fiscal year, fund balance of the general fund reached \$ 28,705,017, all of which was unreserved. Unreserved fund balance represented 49.7 percent of total general fund expenditures.

The fund balance of the general fund increased by \$ 1,921,860 during the current fiscal year. The primary reasons for the increase mirror those highlighted in the analysis of governmental activities in the government-wide statements.

The debt service fund had a total fund balance of \$ 2,600,354 at the end of the fiscal year, all of which is reserved for the payment of debt service. The net increase in fund balance during the year was minimal (\$ 261,861). Debt service expenditures increased by \$ 1,085,725 during the fiscal year but were adequately funded by the debt service portion of the property tax.

The fund balance of the RRTSDC revenue fund was \$ 36,309,210, an increase of \$ 4,377,759 over the prior year. The increase reflects sales tax collections dedicated to transportation system improvements and related maintenance and debt service costs.

The RRTSDC project fund, the self-financed construction fund and the 2004 general obligation bond fund had a combined total fund balance at year-end of \$ 45,993,400. The collective decrease of \$ 508,555 occurred as a result of transfers in for funding of scheduled project construction activity and the related project expenditures.

**Proprietary funds.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water and sewer utility totaled \$ 34,044,331 at September 30, 2005. The total growth in net assets for the utility was \$ 16,564,463. The unrestricted net assets represented 15.7 percent of the utility's total net assets. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities.

#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for the general fund were a net increase in appropriations of \$ 8,313,516 or 13.6 percent. The amendments were primarily for the following purposes:

- The largest portion of the budget amendments was to reallocate available cash to fund specified capital purchases totaling \$ 7,690,000.
- Additional funding has been provided for implementation of the City's bi-annual personnel salary market survey and the hiring of additional support staff.

**City of Round Rock, Texas  
Management's Discussion and Analysis - continued  
September 30, 2005**

Funding sources for the above items were provided by revenue budget amendments netting a total of \$ 8,313,516 along with various operational savings and delays implementing budgeted programs. Sales tax revenue amendments were the primary source of additional revenues as described previously.

Overall, actual revenues and financing sources exceeded budgetary estimates and expenditures including transfers were less than budgeted amounts, thus eliminating any need to draw upon existing fund balance.

The City of Round Rock's investment in capital assets for its governmental and business-type activities as of September 30, 2005, amounted to \$ 520,351,978 (net of accumulated depreciation). This investment includes land, buildings and improvements, improvements other than buildings (including infrastructure), machinery and equipment and construction in progress.

Major capital asset events during the year ended September 30, 2005, included the following:

- Work continued on a new senior activity center; total cost is estimated at \$ 4.6 million and was approximately 80% complete at year-end.
- Fire station # 6 was completed at a cost of \$ 2.3 million.
- Work continued on other new police and fire facilities; total cost is estimated at \$10 million; construction in progress had reached \$ 1.7 million at year-end.
- Work had just begun on a new aquatic recreation facility with a total estimated cost of \$ 2.8 million.
- Various park improvement projects are underway at a total estimated cost of \$ 1.6 million and are in various stages of completion.
- Major arterial and road projects are underway and are in various stages of completion; construction in progress at year-end approximated \$ 24.7 million.
- Various street, sidewalk and drainage improvement projects were underway with completions totaling \$ 2.3 million and construction in progress at \$ 10.3 million at year-end.
- Developers contributed infrastructure improvements for governmental activities of \$ 12.3 million and \$ 6.2 million for water and sewer system infrastructure improvements.
- The third phase of the east side water main transmission line is underway at an estimated cost of \$ 10 million and was approximately 13% complete at year-end.
- Various major water line projects are underway with completions totaling \$ 1.7 million and construction in progress at \$ 3.5 million at year-end.
- Phases 2 and 3 of the sanitary sewer evaluation and rehabilitation program were completed at a cost of \$ 3.2 million. Phase 4 is underway at a total estimated cost of \$ 3.4 million.
- Various wastewater systems improvements were underway at a total estimated cost of \$ 11.2 million.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

Capital Assets (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 19,890	\$ 19,005	\$ 2,545	\$ 2,545	\$ 22,435	\$ 21,550
Buildings and Improvements	49,219	47,606	21,778	21,710	70,997	69,316
Improvements Other Than Buildings	362,610	312,737	171,005	161,505	533,615	474,242
Machinery and Equipment	32,429	28,407	6,432	7,195	38,861	35,602
Accumulated Depreciation	(150,683)	(133,277)	(46,675)	(40,915)	(197,358)	(174,192)
Construction in Progress	39,921	55,424	11,880	4,238	51,801	59,662
Total	<u>\$ 353,386</u>	<u>\$ 329,902</u>	<u>\$ 166,966</u>	<u>\$ 156,277</u>	<u>\$ 520,352</u>	<u>\$ 486,179</u>

Additional information on the City of Round Rock's capital assets can be found in Note IV to the financial statements.

**Long-Term Debt**

At the end of the current fiscal year, the City of Round Rock had total debt outstanding of \$ 158,832,630. Of this amount, \$ 102,151,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt is secured solely by specified revenue sources (i.e., revenue bonds and bank loans).

The City of Round Rock's total debt decreased by \$ 7,461,742 or 4.7 percent during the current fiscal year. The decrease is primarily due to regularly scheduled debt principal retirement.

The City did not issue any new debt during the fiscal year.

During the current fiscal year, the City refinanced some existing debt to take advantage of favorable interest rates. The issuance of \$ 19,915,000 in general obligation refunding bonds to advance refund outstanding debt will reduce debt service payments over the next 18 years by \$ 1,889,650 and result in an economic gain of \$ 957,865.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

Long-Term Debt (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 98,680	\$ 87,965	\$ -	\$ -	\$ 98,680	\$ 87,965
Certificates of obligation	3,471	18,279	-	-	3,471	18,279
Hotel tax revenue bonds	8,500	8,545	-	-	8,500	8,545
Sales tax revenue bonds	22,600	23,550	-	-	22,600	23,550
State infrastructure bank loans	25,312	26,748	-	-	25,312	26,748
Water and wastewater revenue bonds	-	-	270	1,207	270	1,207
<b>Total</b>	<b>\$ 158,563</b>	<b>\$ 165,087</b>	<b>\$ 270</b>	<b>\$ 1,207</b>	<b>\$ 158,833</b>	<b>\$ 166,294</b>

The City of Round Rock received bond ratings of AA- and Aa3 with stable outlooks from Standard & Poor's and Moody's respectively, in July 2004. These ratings affirmed those previously issued.

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by the voters, that limits the maximum tax rate, for all City purposes to \$ 2.50 per \$ 100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$ 1.50 of the \$ 2.50 maximum tax rate for general obligation debt service. Assuming the maximum tax rate for debt service of \$ 1.50 on the January 1, 2004 certified assessed valuation of \$ 5,331,147,691 at 100% collection, tax revenue of \$ 79,967,215 would be produced. This revenue could service the debt on \$ 955,638,811 issued as 20-year serial bonds at 5.50% (with level debt service payment). The resulting legal debt margin is \$ 862,060,779.

The City had authorized but unissued bonds totaling \$ 36,385,000 at September 30, 2005; general obligation bonds of \$ 34,800,000 and water and wastewater system revenue bonds of \$ 1,585,000.

Additional information on the City's long-term debt can be found in Note V to the financial statements.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

**Economic Factors and Next Year's Budgets and Rates**

The development of the City's budget is guided by several factors including the City's strategic plan, prevailing economic conditions and by the continuing need to provide basic and improved customer services for a growing population. The fiscal year 2005-2006 budget plan adopted by the City Council adheres to the City's financial policies and preserves the City's strong financial position while providing excellent levels of service.

Revenue assumptions for fiscal year 2005-2006 are expected to generally follow the growth curve of job creation, population growth and housing starts. Revenue growth estimates, in general, are predicted to grow by 3 percent. Some specific revenues, such as property tax revenue and sales tax revenue, are forecast using historical results or specific calculations.

Major new programs in the general fund continue to focus on public safety. The new programs include the addition of 28.5 new full-time equivalent positions. Of that number, 19.5 positions are for public safety personnel including 5 new police officers, 2 animal control officers, 5.5 police support positions and 7 new firefighters. Included in the parks and recreation department is funding for 2 additional positions at the new senior activity center as well as first year funding for the family aquatic center. 3 additional positions will be added to help with the anticipated growth in economic development activities, including a development process coordinator. Other positions include a librarian, planner, facility maintenance technician and mechanic.

The following items highlight other priorities in the City's effort to develop the general fund operating budget:

- The continuing street maintenance program;
- Fleet and equipment replacement;
- Storm sewer management program.

Faced with a significant capital improvement program, increased operating costs and increasing system demand, the utility budget includes an average 5% utility rate increase to be implemented in January 2006. This increase is a continuation of the necessary scheduled increases identified in the 2003 utility rate study. Additionally, it is anticipated that the utility system will need to issue revenue bonds to fund capital improvement programs in 2006.

The City's water and sewer utility expenditures are largely driven by the needs of a growing industrial and residential customer base as well as aging utility plants and lines. New expenditures are necessitated by the increase in water costs and additional water supply reserves. Additionally, cost increases are expected in pumping costs, materials and supplies.

**City of Round Rock, Texas**  
**Management's Discussion and Analysis - continued**  
**September 30, 2005**

The Brazos River Authority has constructed a 30 mile pipeline from Lake Stillhouse to Lake Georgetown for the benefit of the City of Round Rock and others. The Brazos River Authority owns, operates and maintains the water line. The 2005-2006 budget includes the first full year of capital and operating costs associated with this regional water line.

Like the water system mentioned above, the wastewater system costs are reflective of expansions required to meet the needs of a larger, growing population. Of particular significance next year, the wastewater treatment plant budget reflects a continuation of facilities construction and operation by the Lower Colorado River Authority/Brazos River Authority Alliance. Eight years ago the City sold its wastewater treatment plants to the Alliance. The Alliance operates and expands the plants as necessary to accommodate a regional treatment concept, which currently includes the cities of Round Rock, Austin, and Cedar Park. The Fern Bluff and Brushy Creek Municipal Utility Districts are also customers of this regional system.

Costs for wastewater treatment are expected to increase each year. These costs reflect the significant capital construction costs and increased debt incurred by the Alliance to finance plant acquisition and expansion. However, while growth in the City's customer base and the recent addition of new regional customers, such as the City of Austin, are expected to help meet these costs, they will be closely monitored to assess their impact on future utility rates.

While the City has transferred its wastewater plant and major collector operations to the Alliance, the City still maintains responsibility for wastewater lines maintenance. This responsibility includes maintaining and rehabilitating the City's wastewater lines in compliance with Texas Commission on Environmental Quality (TCEQ) Edwards Aquifer Regulations.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Round Rock, 221 East Main Street, Round Rock, Texas 78664

## **BASIC FINANCIAL STATEMENTS**



**CITY OF ROUND ROCK, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2005**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 25,570,882	\$ 11,816,101	\$ 37,386,983
Investments	42,181,086	21,255,265	63,436,351
Receivables (net of allowances for uncollectibles)-			
Property taxes, including			
interest and penalties	290,649	-	290,649
Accounts & other	1,498,505	4,058,027	5,556,532
Loans	19,181	-	19,181
Accrued interest	425,973	138,109	564,082
Internal balances	(436,325)	436,325	-
Assessments	907,578	-	907,578
Intergovernmental	63,705	-	63,705
Inventories	71,065	308,072	379,137
Other current assets	47,460	154,237	201,697
Restricted assets -			
Cash and cash equivalents	55,069,274	16,902,653	71,971,927
Investments	24,805,322	3,953,700	28,759,022
Property taxes receivable	274,906	-	274,906
Accounts receivable	-	234,534	234,534
Accrued interest	103,614	14,722	118,336
Deferred charges, net	4,045,590	-	4,045,590
Capital assets -			
Land and construction in progress	59,811,138	14,424,754	74,235,892
Capital assets, net of accumulated depreciation	293,575,192	152,540,894	446,116,086
Total assets	<u>508,324,795</u>	<u>226,237,393</u>	<u>734,562,188</u>

The accompanying notes are an integral part of this financial statement.

(Continued)

**CITY OF ROUND ROCK, TEXAS**  
**STATEMENT OF NET ASSETS (CONTINUED)**  
**SEPTEMBER 30, 2005**

	Governmental Activities	Business-Type Activities	Total
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 6,318,055	\$ 2,213,471	\$ 8,531,526
Accrued payroll	131,452	19,977	151,429
Accrued compensated absences payable	1,369,835	218,015	1,587,850
Unearned revenue	1,078,273	-	1,078,273
Accrued interest payable	1,110,825	2,333	1,113,158
Noncurrent liabilities:			
Due within one year	7,090,383	270,000	7,360,383
Due in more than one year	155,931,359	1,068,664	157,000,023
Total liabilities	<u>173,030,182</u>	<u>3,792,460</u>	<u>176,822,642</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	191,409,740	166,695,648	358,105,388
Temporarily restricted for:			
Debt service	1,489,529	335,784	1,825,313
Capital projects	75,863,062	20,401,408	96,264,470
Permanently restricted for:			
Nonexpendable endowment	100,000	-	100,000
Unrestricted	66,432,282	35,012,093	101,444,375
Total net assets	<u>\$ 335,294,613</u>	<u>\$ 222,444,933</u>	<u>\$ 557,739,546</u>

**CITY OF ROUND ROCK, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 20,282,360	\$ 1,352,613	\$ 571,647	\$ -
Public safety	22,762,219	2,674,255	54,258	259,133
Public works	20,919,303	1,040,788	-	14,176,821
Culture and recreation	10,921,173	1,941,047	-	-
Interest on long-term debt	8,358,830	-	-	-
Total governmental activities	<u>83,243,885</u>	<u>7,008,703</u>	<u>625,905</u>	<u>14,435,954</u>
Business-type activities:				
Water and sewer utility	25,051,538	27,161,741	-	1,187,383
Golf course	215,595	427,504	-	-
Total business-type activities	<u>25,267,133</u>	<u>27,589,245</u>	<u>-</u>	<u>1,187,383</u>
Total primary government	<u>\$ 108,511,018</u>	<u>\$ 34,597,948</u>	<u>\$ 625,905</u>	<u>\$ 15,623,337</u>

The accompanying notes are an integral part of this financial statement.

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General government	\$ (18,358,100)	\$ -	\$ (18,358,100)
Public safety	(19,774,573)	-	(19,774,573)
Public works	(5,701,694)	-	(5,701,694)
Culture and recreation	(8,980,126)	-	(8,980,126)
Interest on long-term debt	(8,358,830)	-	(8,358,830)
Total governmental activities	(61,173,323)	-	(61,173,323)
Business-type activities:			
Water and sewer utility	-	3,297,586	3,297,586
Golf course	-	211,909	211,909
Total business-type activities	-	3,509,495	3,509,495
Total primary government	(61,173,323)	3,509,495	(57,663,828)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	11,259,255	-	11,259,255
Property taxes, levied for debt service	9,227,320	-	9,227,320
Franchise taxes	4,488,608	-	4,488,608
Sales tax	58,052,509	-	58,052,509
Hotel occupancy tax	1,905,049	-	1,905,049
Public service taxes	212,565	-	212,565
Impact fees	-	8,648,921	8,648,921
Grants and contributions not restricted to specific programs	-	6,165,506	6,165,506
Investment earnings	3,932,154	997,802	4,929,956
Miscellaneous	206,057	29,067	235,124
Transfers	2,752,423	(2,752,423)	-
Total general revenues and transfers	92,035,940	13,088,873	105,124,813
Change in net assets	30,862,617	16,598,368	47,460,985
Net assets-beginning	304,431,996	205,846,565	510,278,561
Net assets-ending	\$ 335,294,613	\$ 222,444,933	\$ 557,739,546

**CITY OF ROUND ROCK, TEXAS  
GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2005**

			Round Rock Transportation System Development Corporation Revenue Fund
	General Fund	Debt Service Fund	
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 8,673,849	\$ -	\$ 1,835,068
Investments	41,221,116	-	-
Receivables (net of allowances for uncollectibles) -			
Property taxes, including interest and penalties	290,649	-	-
Accounts and other	695,883	35,307	-
Loans	-	-	-
Accrued interest	308,251	-	-
Interfund receivables	220,274	30,727	-
Assessments	-	-	-
Intergovernmental	63,705	-	-
Inventories	71,065	-	-
Other current assets	47,460	-	-
Restricted assets -			
Cash and cash equivalents	-	2,547,022	28,501,198
Investments	-	-	7,942,314
Receivables -			
Property taxes, including interest and penalties	-	274,906	-
Accrued interest	-	2,248	43,519
Total assets	<u>\$ 51,592,252</u>	<u>\$ 2,890,210</u>	<u>\$ 38,322,099</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities-			
Accounts payable	\$ 3,576,806	\$ -	\$ -
Accrued payroll	131,452	-	-
Interfund payables	18,935,245	36,774	2,012,889
Unearned revenue	243,732	253,082	-
Total liabilities	<u>22,887,235</u>	<u>289,856</u>	<u>2,012,889</u>
Fund balances -			
Reserved for federal seizure	-	-	-
Reserved for non-current loans receivable	-	-	-
Reserved for debt service	-	2,600,354	-
Reserved for nonexpendable endowments	-	-	-
Reserved for authorized construction	-	-	36,309,210
Unreserved, reported in-			
General fund	28,705,017	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Permanent fund	-	-	-
Total fund balances	<u>28,705,017</u>	<u>2,600,354</u>	<u>36,309,210</u>
Total liabilities and fund balances	<u>\$ 51,592,252</u>	<u>\$ 2,890,210</u>	<u>\$ 38,322,099</u>

The accompanying notes are an integral part of this financial statement.

Round Rock Transportation System Development Corporation Project Fund	Self- Financed Construction	2004 General Obligation Bonds Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,702,672	\$ 2,434,653	\$ -	\$ 4,838,124	\$ 21,484,366
-	-	-	959,970	42,181,086
-	-	-	-	290,649
-	189,041	-	183,274	1,103,505
-	-	-	19,181	19,181
-	-	-	117,722	425,973
-	20,314,063	-	-	20,565,064
-	-	-	907,578	907,578
-	-	-	-	63,705
-	-	-	-	71,065
-	-	-	-	47,460
1,525,897	-	7,281,984	15,213,173	55,069,274
-	-	11,895,195	4,967,813	24,805,322
-	-	-	-	274,906
-	-	33,046	24,801	103,614
<u>\$ 5,228,569</u>	<u>\$ 22,937,757</u>	<u>\$ 19,210,225</u>	<u>\$ 27,231,636</u>	<u>\$ 167,412,748</u>
\$ 566,247	\$ 618,091	\$ 198,813	\$ 1,133,679	\$ 6,093,636
-	-	-	-	131,452
-	-	-	9,616	20,994,524
-	-	-	1,078,273	1,575,087
<u>566,247</u>	<u>618,091</u>	<u>198,813</u>	<u>2,221,568</u>	<u>28,794,699</u>
-	-	-	357,985	357,985
-	-	-	19,181	19,181
-	-	-	-	2,600,354
-	-	-	100,000	100,000
1,461,563	-	19,011,412	19,080,877	75,863,062
-	-	-	-	28,705,017
-	-	-	4,535,452	4,535,452
3,200,759	22,319,666	-	912,311	26,432,736
-	-	-	4,262	4,262
<u>4,662,322</u>	<u>22,319,666</u>	<u>19,011,412</u>	<u>25,010,068</u>	<u>138,618,049</u>
<u>\$ 5,228,569</u>	<u>\$ 22,937,757</u>	<u>\$ 19,210,225</u>	<u>\$ 27,231,636</u>	<u>\$ 167,412,748</u>



**CITY OF ROUND ROCK, TEXAS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2005**

Total Fund Balances - Governmental Funds	\$ 138,618,049
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Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 19,890,440	
Building and improvements	411,829,253	
Equipment	32,429,249	
Construction in progress	39,920,698	
Accumulated depreciation	<u>(150,683,310)</u>	
Total capital assets	<u>\$ 353,386,330</u>	353,386,330

Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected.

Current and prior year property		
taxes not collected	<u>\$ 496,814</u>	
Total unearned revenues reclassified	<u>\$ 496,814</u>	496,814

Internal service funds are used by management to charge the costs of self-funded insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	4,250,232
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Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. They are detailed in Note II A.	<u>(161,456,812)</u>
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Net Assets of Governmental Activities	<u>\$ 335,294,613</u>
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The accompanying notes are an integral part of this financial statement.



**CITY OF ROUND ROCK, TEXAS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2005**

	General Fund	Debt Service Fund	Round Rock Transportation System Development Corporation Revenue Fund
<b>Revenues -</b>			
Taxes and franchise, including interest and penalties	\$ 59,649,919	\$ 9,274,847	\$ 14,513,126
Licenses, permits and fees	754,553	-	-
Charges for services	4,100,595	-	-
Fines and forfeitures	1,154,960	-	-
Intergovernmental	194,165	-	-
Hotel occupancy tax	-	-	-
Investment and other	2,093,113	165,097	1,023,641
Contributions	-	-	396,462
Total revenues	<u>67,947,305</u>	<u>9,439,944</u>	<u>15,933,229</u>
<b>Expenditures -</b>			
Current -			
General government	20,139,575	-	-
Public safety	21,609,579	-	-
Public works	7,403,502	-	184,000
Culture and recreation	8,609,684	-	-
Debt service -			
Principal retirement	-	7,518,388	-
Interest and fiscal charges	-	8,046,683	-
Bond issuance costs	-	313,483	-
Capital projects	-	-	-
Total expenditures	<u>57,762,340</u>	<u>15,878,554</u>	<u>184,000</u>
Excess (deficiency) of revenues over expenditures	<u>10,184,965</u>	<u>(6,438,610)</u>	<u>15,749,229</u>
<b>Other financing sources (uses) -</b>			
Lease purchase proceeds	600,000	-	-
Bond proceeds - including refunding bonds	-	19,915,000	-
Premium on long-term debt issued	-	1,361,510	-
Payment to refunded bond escrow agent	-	(20,927,719)	-
Transfers in	1,640,000	6,353,883	-
Transfers out	(10,503,105)	(2,203)	(11,371,470)
Total other financing sources (uses)	<u>(8,263,105)</u>	<u>6,700,471</u>	<u>(11,371,470)</u>
Net changes in fund balance	<u>1,921,860</u>	<u>261,861</u>	<u>4,377,759</u>
Fund balances, October 1, 2004	26,783,157	2,338,493	31,931,451
Fund balances, September 30, 2005	<u>\$ 28,705,017</u>	<u>\$ 2,600,354</u>	<u>\$ 36,309,210</u>

The accompanying notes are an integral part of this financial statement.

Round Rock Transportation System Development Corporation Project Fund	Self- Financed Construction	2004 General Obligation Bonds Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 83,437,892
-	-	-	464,422	1,218,975
-	-	-	-	4,100,595
-	-	-	300,320	1,455,280
-	259,134	-	431,739	885,038
-	-	-	1,905,049	1,905,049
158,764	55,814	545,437	811,153	4,853,019
-	722,788	-	139,368	1,258,618
<u>158,764</u>	<u>1,037,736</u>	<u>545,437</u>	<u>4,052,051</u>	<u>99,114,466</u>
-	-	-	499,300	20,638,875
-	-	-	64,830	21,674,409
-	-	-	-	7,587,502
-	-	-	773,068	9,382,752
-	-	-	-	7,518,388
-	-	-	-	8,046,683
-	-	-	-	313,483
<u>13,681,535</u>	<u>4,376,190</u>	<u>1,008,081</u>	<u>8,907,109</u>	<u>27,972,915</u>
<u>13,681,535</u>	<u>4,376,190</u>	<u>1,008,081</u>	<u>10,244,307</u>	<u>103,135,007</u>
<u>(13,522,771)</u>	<u>(3,338,454)</u>	<u>(462,644)</u>	<u>(6,192,256)</u>	<u>(4,020,541)</u>
-	-	-	-	600,000
-	-	-	-	19,915,000
-	-	-	-	1,361,510
-	-	-	-	(20,927,719)
6,625,000	10,520,199	-	2,663,640	27,802,722
-	-	(329,885)	(2,843,636)	(25,050,299)
<u>6,625,000</u>	<u>10,520,199</u>	<u>(329,885)</u>	<u>(179,996)</u>	<u>3,701,214</u>
<u>(6,897,771)</u>	<u>7,181,745</u>	<u>(792,529)</u>	<u>(6,372,252)</u>	<u>(319,327)</u>
<u>11,560,093</u>	<u>15,137,921</u>	<u>19,803,941</u>	<u>31,382,320</u>	<u>138,937,376</u>
<u>\$ 4,662,322</u>	<u>\$ 22,319,666</u>	<u>\$ 19,011,412</u>	<u>\$ 25,010,068</u>	<u>\$ 138,618,049</u>

**CITY OF ROUND ROCK, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances-Total Governmental Funds	\$ (319,327)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	11,366,036
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net assets.	12,118,739
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(197,635)
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The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	6,918,387
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(34,624)
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Internal service funds are used to charge the costs of self-funded insurance to the individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>1,011,041</u>
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Change in Net Assets of Governmental Activities	<u><u>\$ 30,862,617</u></u>
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The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2005**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
<b>Revenues -</b>				
Taxes and franchise, including interest and penalties	\$ 59,649,919	\$ 52,009,000	\$ 59,518,598	\$ 131,321
Licenses, permits and fees	754,553	580,000	682,000	72,553
Charges for services	4,100,595	3,751,200	3,826,200	274,395
Fines and forfeitures	1,154,960	1,121,000	1,121,000	33,960
Intergovernmental	194,165	180,000	161,918	32,247
Investment and other	2,093,113	1,402,700	2,047,700	45,413
Total revenues	<u>67,947,305</u>	<u>59,043,900</u>	<u>67,357,416</u>	<u>589,889</u>
<b>Expenditures -</b>				
<b>Current -</b>				
General government	20,139,575	19,030,958	20,479,151	339,576
Public safety	21,609,579	22,346,490	21,651,777	42,198
Public works	7,403,502	10,534,189	7,887,701	484,199
Culture and recreation	8,609,684	9,367,670	9,012,817	403,133
Total expenditures	<u>57,762,340</u>	<u>61,279,307</u>	<u>59,031,446</u>	<u>1,269,106</u>
Excess (deficiency) of revenues over expenditures	<u>10,184,965</u>	<u>(2,235,407)</u>	<u>8,325,970</u>	<u>1,858,995</u>
<b>Other financing sources (uses) -</b>				
Lease purchase proceeds	600,000	600,000	600,000	-
Transfers in	1,640,000	1,640,000	1,640,000	-
Transfers out	<u>(10,503,105)</u>	<u>-</u>	<u>(10,561,377)</u>	<u>58,272</u>
Total other financing sources (uses)	<u>(8,263,105)</u>	<u>2,240,000</u>	<u>(8,321,377)</u>	<u>58,272</u>
Excess of revenues and other financing sources over expenditures and other uses	<u>1,921,860</u>	<u>\$ 4,593</u>	<u>\$ 4,593</u>	<u>\$ 1,917,267</u>
Fund balance, October 1, 2004	<u>26,783,157</u>			
Fund balance, September 30, 2005	<u>\$ 28,705,017</u>			

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL**  
**ROUND ROCK TRANSPORTATION SYSTEM DEVELOPMENT CORPORATION REVENUE FUND**  
**YEAR ENDED SEPTEMBER 30, 2005**

	Actual	Budgeted Amounts		Variance - Positive (Negative)
		Original	Final	
Revenues -				
Sales tax	\$ 14,513,126	\$ 12,220,000	\$ 12,220,000	\$ 2,293,126
Investment and other	1,023,641	325,000	325,000	698,641
Contributions	396,462	-	-	396,462
Total revenues	15,933,229	12,545,000	12,545,000	3,388,229
Expenditures -				
Current -				
Public works	184,000	184,000	184,000	-
Total expenditures	184,000	184,000	184,000	-
Excess of revenues over expenditures	15,749,229	12,361,000	12,361,000	3,388,229
Other financing sources (uses)-				
Transfers out	(11,371,470)	(4,753,230)	(11,371,470)	-
Total other financing uses	(11,371,470)	(4,753,230)	(11,371,470)	-
Excess of revenues over expenditures and other financing uses	4,377,759	\$ 7,607,770	\$ 989,530	\$ 3,388,229
Fund balance, October 1, 2004	31,931,451			
Fund balance, September 30, 2005	\$ 36,309,210			

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 11,359,751	\$ 456,350	\$ 11,816,101	\$ 4,086,516
Investments	21,255,265	-	21,255,265	-
Receivables (net of allowance for uncollectibles of \$976,695) -				
Accounts	4,058,027	-	4,058,027	395,000
Accrued interest	138,109	-	138,109	-
Interfund	41,324	-	41,324	504,547
Inventories	308,072	-	308,072	-
Other current assets	154,237	-	154,237	-
Total current assets	<u>37,314,785</u>	<u>456,350</u>	<u>37,771,135</u>	<u>4,986,063</u>
Noncurrent assets:				
Restricted cash, cash equivalents, and investments:				
Customer deposits	811,729	-	811,729	-
Revenue bond covenant accounts	338,067	-	338,067	-
Impact fees	12,691,228	-	12,691,228	-
Construction	7,015,329	-	7,015,329	-
Restricted accounts and accrued interest receivable:				
Impact fees	249,256	-	249,256	-
Total noncurrent assets	<u>21,105,609</u>	<u>-</u>	<u>21,105,609</u>	<u>-</u>
Capital Assets:				
Land and construction in progress	12,533,579	1,891,175	14,424,754	-
Capital assets being depreciated, (net of accumulated depreciation of \$46,674,588)	<u>149,309,051</u>	<u>3,231,843</u>	<u>152,540,894</u>	<u>-</u>
Total assets	<u>\$ 220,263,024</u>	<u>\$ 5,579,368</u>	<u>\$ 225,842,392</u>	<u>\$ 4,986,063</u>

The accompanying notes are an integral part of this financial statement.

(Continued)

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS (CONTINUED)  
SEPTEMBER 30, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 2,213,471	\$ -	\$ 2,213,471	\$ 224,419
Accrued payroll	19,977	-	19,977	-
Accrued interest	2,333	-	2,333	-
Interfund payables	116,411	-	116,411	-
Accrued compensated absences payable	218,015	-	218,015	-
Total current liabilities	<u>2,570,207</u>	<u>-</u>	<u>2,570,207</u>	<u>224,419</u>
Noncurrent liabilities:				
Unearned revenue	234,535	-	234,535	-
Accrued compensated absences payable	22,400	-	22,400	-
Customer deposits	811,729	-	811,729	-
Revenue bonds	270,000	-	270,000	-
Total noncurrent liabilities	<u>1,338,664</u>	<u>-</u>	<u>1,338,664</u>	<u>-</u>
Total liabilities	<u>3,908,871</u>	<u>-</u>	<u>3,908,871</u>	<u>224,419</u>
Net assets:				
Invested in capital assets, net of related debt	161,572,630	5,123,018	166,695,648	-
Restricted for:				
Debt service	335,784	-	335,784	-
Capital projects	20,401,408	-	20,401,408	-
Unrestricted	34,044,331	456,350	34,500,681	4,761,644
Total net assets	<u>\$ 216,354,153</u>	<u>\$ 5,579,368</u>	<u>221,933,521</u>	<u>\$ 4,761,644</u>

Reconciliation to government-wide statement of net assets:

Adjustment to reflect the cumulative net profit of the internal service fund that was allocated to enterprise fund functions.	511,412
Net assets of business-type activities	<u>\$ 222,444,933</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
YEAR ENDED SEPTEMBER 30, 2005**

	Business-Type Activities- Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course Fund	Total	Internal Service
Operating revenues -				
Charges for services	\$ 27,161,741	\$ 427,504	\$ 27,589,245	\$ 6,958,250
Total operating revenues	27,161,741	427,504	27,589,245	6,958,250
Operating expenses -				
Personnel services	5,780,578	-	5,780,578	-
Contractual services	9,193,766	-	9,193,766	904,754
Supplies	780,862	-	780,862	-
Materials	756,059	59,698	815,757	-
Heat, light and power	1,817,816	-	1,817,816	-
Claims expense	-	-	-	4,906,037
Bad debts	123,372	-	123,372	-
Depreciation	6,732,231	155,897	6,888,128	-
Total operating expenses	25,184,684	215,595	25,400,279	5,810,791
Operating income	1,977,057	211,909	2,188,966	1,147,459
Nonoperating revenues (expenses) -				
Investment and other revenues	1,035,603	16,504	1,052,107	79,533
Interest and fiscal charges	(82,805)	-	(82,805)	-
Total nonoperating revenues (expenses)	952,798	16,504	969,302	79,533
Income before contributions and transfers	2,929,855	228,413	3,158,268	1,226,992
Contributions and transfers -				
Contributions - impact fees	8,648,921	-	8,648,921	-
Contributions - other	1,162,145	-	1,162,145	-
Developer contributions - infrastructure	6,165,506	-	6,165,506	-
Transfers out	(2,341,964)	(410,459)	(2,752,423)	-
Total contributions and transfers	13,634,608	(410,459)	13,224,149	-
Change in net assets	16,564,463	(182,046)	16,382,417	1,226,992
Net assets, October 1, 2004	199,789,690	5,761,414		3,534,652
Net assets, September 30, 2005	\$ 216,354,153	\$ 5,579,368		\$ 4,761,644
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the net profit of the internal service fund that was allocated to enterprise fund functions.			215,951	
Change in net assets of business-type activities			\$ 16,598,368	

The accompanying notes are an integral part of this financial statement.



**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2005**

	Business Type Activities- Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course	Total	Internal Service
Cash flows from operating activities:				
Cash received from customers	\$27,290,362	\$ 427,504	\$27,717,866	\$ 1,025,259
Cash received from other funds for services provided	-	-	-	6,407,680
Cash payments to suppliers for goods and services	(12,022,576)	(59,474)	(12,082,050)	(5,853,703)
Cash payments to employees for services	(4,929,264)	-	(4,929,264)	-
Cash payments to other funds for services	(939,240)	-	(939,240)	-
Net cash provided by operating activities	<u>9,399,282</u>	<u>368,030</u>	<u>9,767,312</u>	<u>1,579,236</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(2,341,964)	(410,459)	(2,752,423)	-
Net cash used for noncapital financing activities	<u>(2,341,964)</u>	<u>(410,459)</u>	<u>(2,752,423)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Receipts of capital contributions	9,811,066	-	9,811,066	-
Acquisition and construction of capital assets	(11,837,794)	-	(11,837,794)	-
Proceeds from sale of capital assets	22,374	-	22,374	-
Principal paid on revenue bonds	(970,000)	-	(970,000)	-
Collection of loans	32,574	-	32,574	-
Interest and fiscal charges paid	(57,879)	-	(57,879)	-
Net cash used by capital and related financing activities	<u>(2,999,659)</u>	<u>-</u>	<u>(2,999,659)</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investments	(18,796,660)	-	(18,796,660)	-
Proceeds from sale of investments	14,801,380	-	14,801,380	-
Investment and other income	1,154,538	16,504	1,171,042	79,533
Net cash provided by (used by) investing activities	<u>(2,840,742)</u>	<u>16,504</u>	<u>(2,824,238)</u>	<u>79,533</u>
Net increase (decrease) in cash and cash equivalents	1,216,917	(25,925)	1,190,992	1,658,769
Cash and cash equivalents at beginning of year	<u>27,045,487</u>	<u>482,275</u>	<u>27,527,762</u>	<u>2,427,747</u>
Cash and cash equivalents at end of year	<u>\$28,262,404</u>	<u>\$ 456,350</u>	<u>\$28,718,754</u>	<u>\$ 4,086,516</u>

(Continued)

**CITY OF ROUND ROCK, TEXAS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Golf Course	Total	Internal Service
<u>Reconciliation of Cash and Cash Equivalents to Proprietary Fund Statement of Net Assets</u>				
Cash and cash equivalents	\$11,359,751	\$ 456,350	\$11,816,101	\$ 4,086,516
Restricted assets -				
Cash and cash equivalents	16,902,653	-	16,902,653	-
Cash and cash equivalents	<u>\$28,262,404</u>	<u>\$ 456,350</u>	<u>\$28,718,754</u>	<u>\$ 4,086,516</u>
<u>Reconciliation of operating income to net cash provided by operating activities</u>				
Operating income	\$ 1,977,057	\$ 211,909	\$ 2,188,966	\$ 1,147,459
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	6,732,231	155,897	6,888,128	-
Provision for bad debts	123,372	-	123,372	-
Decrease in receivables	93,617	-	93,617	69,686
Decrease in interfund receivables	-	-	-	405,003
(Increase) in inventories	(208,358)	-	(208,358)	-
(Increase) decrease in other assets	(13,419)	224	(13,195)	-
Increase (decrease) in accounts payable	900,147	-	900,147	(42,912)
(Decrease) in accrued payroll	(62,957)	-	(62,957)	-
(Decrease) in interfund payables	(50,366)	-	(50,366)	-
(Decrease) in payables from restricted assets	(117,439)	-	(117,439)	-
Increase in compensated absences	25,397	-	25,397	-
Total adjustments	<u>7,422,225</u>	<u>156,121</u>	<u>7,578,346</u>	<u>431,777</u>
Net cash provided by operations	<u>\$ 9,399,282</u>	<u>\$ 368,030</u>	<u>\$ 9,767,312</u>	<u>\$ 1,579,236</u>

**NOTES:**

(1) Noncash capital and related financing activities:

In fiscal year 2005, the Water and Sewer Fund had \$ 6,165,506 in capital assets contributed, amortized \$ 33,075 of deferred loss on refunding of debt, and recognized \$ 81,165 in unrealized investment losses.

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET ASSETS  
SEPTEMBER 30, 2005**

	<u>AGENCY FUND</u>
	Encino Plaza Public <u>Improvement District</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 1,172,575</u>
Total assets	<u><u>\$ 1,172,575</u></u>
<u>LIABILITIES</u>	
Liabilities -	
Due to participants	<u>\$ 1,172,575</u>
Total liabilities	<u><u>\$ 1,172,575</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005**

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**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

The City of Round Rock, Texas is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

**A. REPORTING ENTITY**

The City provides various services and performs many different functions. These include a police force, a fire fighting and protection force, emergency medical services, a parks and recreation system, a municipal golf course, a public library, public health and social services, planning and zoning, a waterworks and sewer utility system. The City's staff provides the necessary support for the services provided. All are responsible to the Citizens of Round Rock and are therefore included within the reporting entity.

As required by generally accepted accounting principles, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

**Blended component unit**

The Round Rock Transportation System Development Corporation, an entity legally separate from the City, is governed by a seven-member board appointed by the City Council. The City Council maintains budgetary control of the Corporation. For financial reporting purposes the Round Rock Transportation System Development Corporation is presented as a part of the City's operations because its sole purpose is to utilize sales tax revenues for the improvement of the City's transportation system. The revenues of the corporation and its administrative expenditures are accounted for in a special revenue fund, while the capital improvements are accounted for in a capital projects fund.

**B. BASIS OF PRESENTATION-GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. GASB Statement No. 34 requires certain supplementary information. Management's Discussion and Analysis includes an analytical overview of the City's financial activities. In addition, budgetary comparison statements are presented that compare the adopted and amended budgets of the General Fund and the Round Rock Transportation System Development Corporation Special Revenue Fund with their actual results.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide Statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the primary government and its component unit. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The City's statement of net assets includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (police, fire, public works, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales or franchise taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, and the component unit. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION –GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements:**

Separate fund based financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. An emphasis is placed on major funds within the governmental and proprietary categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The major governmental funds are the general fund, the debt service fund, the Round Rock Transportation System Development Corporation's special revenue and capital project funds, the Self-Financed Construction fund and the 2004 General Obligation Bond capital projects fund. The nonmajor funds are combined in a separate column in the fund financial statements.

The internal service fund, which provides services to the other funds of the government, is presented as part of the proprietary fund financial statements. Because the principal users are the City's governmental activities, financial statements of the internal service fund are consolidated into the governmental column when presented at the government-wide level. The costs of these services are reflected in the appropriate functional activity (general government, public safety, public works, etc.).

The City's fiduciary fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

**C. GOVERNMENTAL FUND TYPES**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The City maintains the following governmental fund types:

**General Fund** - The General Fund accounts for financial resources in use for general types of operations, which are not encompassed within other funds. The general fund is considered a major fund in the fund financial statements.



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**C. GOVERNMENTAL FUND TYPES (CONTINUED)**

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

There are eleven groups of funds within the Special Revenue Funds which account for the activities related to grant programs, hotel-motel room taxes, transportation system improvement sales tax and funds designated for specific service programs. They are as follows:

- *1981 Community Development Block Grant Fund*
- *Street and Bridge Fund*
- *Hotel-Motel Occupancy Tax Fund*
- *Police Fund*
- *Municipal Court Fund*
- *Landscape Fund*
- *Convention Center Revenue Fund*
- *Round Rock Transportation System Development Corporation Revenue Fund*
- *Community Development Block Grant Fund*
- *Annexation Fees Fund*
- *Library Fund*

The Round Rock Transportation System Development Corporation special revenue fund is considered a major fund in the fund financial statements. It accounts for sales tax monies received for streets, drainage and other transportation system improvements, including maintenance costs associated with such authorized projects.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest and related costs. The debt service fund is considered a major fund in the fund financial statements.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**C. GOVERNMENTAL FUND TYPES (CONTINUED)**

**Capital Projects Funds** - The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds).

There are thirteen groups of funds within the Capital Projects Fund which account for the activities related to various capital improvements projects as follows:

- *Streets and Drainage*
- *1995 Series Certificates of Obligation (Yard and Fire Improvements Fund)*
- *Park Development*
- *1990 Series Certificates of Obligation (City Hall Complex)*
- *2002 Series General Obligation Bonds*
- *Self-Financed Construction*
- *1997 Series Certificates of Obligation (Streets and Public Safety Improvements)*
- *1998 Series General Obligation Bonds (Public Works, Police and Parks Facilities Improvements)*
- *Round Rock Transportation System Development Corporation Project*
- *1999 Series Hotel Tax Revenue Bonds (Convention Center Complex)*
- *2000 Series Certificates of Obligation (Municipal Complex, Park Land & Streets)*
- *2004 Series General Obligation Bonds*
- *Tourism Development Fund*

The Round Rock Transportation System Development Corporation capital projects fund, the Self-Financed construction fund and the 2004 Series General Obligation Bonds are considered major funds in the fund financial statements. The Round Rock Transportation System Development Corporation fund accounts for transportation system improvements funded by sales tax revenues. The Self-Financed Construction fund accounts for the costs of authorized general capital improvements and facilities. Financing is provided by general government resources. The 2004 Series GO Bonds fund accounts for street, traffic safety and sidewalk improvement projects, and improvements and equipment for police, fire and municipal office facilities.

**Permanent Fund** – The **Permanent Fund** is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for authorized purposes that support the City's park improvement programs. The permanent fund is the Ron Sproull Memorial Endowment Fund, which is used to account for a contribution that is legally restricted so that only the earnings may be expended on park improvements.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**D. PROPRIETARY FUNDS TYPES**

**The Proprietary Funds** are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is upon capital maintenance and upon determination of net income, financial position and cash flows. The City maintains the following Proprietary Fund types.

**Enterprise Fund** - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Enterprise Fund consists of the Water and Sewer Utility Fund and the Golf Course Fund. These funds are primarily supported by user charges.

**E. OTHER FUND TYPES**

**Internal Service Fund** - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other City departments or agencies on a cost-plus basis. The City's Internal Service Fund is the Self-Funded Health Insurance Fund, which is used to account for the activities of the City's self-funded health insurance program.

**Agency Fund** - The Agency Fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations. The Agency Fund is the Encino Plaza Public Improvement District Fund.

**F. NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES:**

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net assets.

**G. BASIS OF ACCOUNTING**

**Government-wide Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**G. BASIS OF ACCOUNTING (CONTINUED)**

**Fund Financial Statements**

In the fund financial statements, all governmental funds are accounted for using a modified accrual basis of accounting. Governmental funds use the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**Governmental Funds**

***Revenue Recognition***

In applying the susceptible to accrual concept under the modified accrual basis of accounting, revenues are recorded when deemed both measurable and available. Measurable means that the amount of the transaction can be determined. Available means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as unearned revenue.

Sales and hotel taxes, franchise fees, and special assessments are recorded when susceptible to accrual, both measurable and available. Licenses and permits, charges for services, fines and forfeitures and other revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Earnings on investments are recorded on the accrual basis in all funds. Unrealized gains or losses on investments are also recognized in accordance with GASB Statement No. 31.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual grant programs are used for guidance. Monies received are generally unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are recognized as revenues at the time of receipt, or sooner, if the susceptible to accrual criteria are met.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**G. BASIS OF ACCOUNTING (CONTINUED)**

**Governmental Funds (Continued)**

***Revenue Recognition (Continued)***

The City reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

***Expenditure Recognition***

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on governmental long-term debt which are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds' fund financial statements.

**Proprietary and Agency Funds**

In the fund financial statements and the government-wide statements, proprietary and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, the golf course fund and the internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and service, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary funds follow GAAP prescribed by GASB and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its proprietary funds as prescribed by the GASB.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**H. BUDGETS AND BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the appropriated budget as reflected in the accompanying financial statements:

- (1) At least sixty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted at which all interested persons' comments concerning the budget may be heard.
- (3) The budget is legally enacted by the City Council through passage of an appropriation ordinance and tax-levying ordinance not later than the final day of the last month of the fiscal year.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Proprietary Funds. Management control for the operating budget is maintained at the individual office, department, or agency level.
- (5) Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and the Proprietary Funds. Capital Projects Funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements.
- (6) Amendments that alter total expenditures of any fund must be approved by the City Council. Although costs are monitored on a departmental basis, the level of control at which expenditures may not exceed the budget is at the fund level. The reported budgetary data has been revised for amendments authorized.
- (7) Any appropriation balances in the General Fund and Special Revenue Funds lapse or revert to the undesignated fund balances at the close of each fiscal year.

The budgets of the various funds are prepared on a basis consistent with generally accepted accounting principles as described above.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**H. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)**

Budgeted amounts are as originally adopted, or as amended by the City Council on October 27, 2005. Amendments to Special Revenue and Debt Service Funds were not material to the original appropriations. The original budget of the General Fund was amended twice during 2005. The following table compares original to final budgets. The largest amendments were to reallocate \$ 7,690,000 of available cash to fund specified capital purchases and additional funding for implementation of the City's bi-annual personnel salary market survey and the hiring of additional support staff.

	Original Budget	Amendments Increase (Decrease)	Final Budget
Revenues -			
Taxes and franchise, including interest and penalties	\$ 52,009,000	\$ 7,509,598	\$ 59,518,598
Licenses, permits and fees	580,000	102,000	682,000
Charges for services	3,751,200	75,000	3,826,200
Fines and forfeitures	1,121,000	-	1,121,000
Intergovernmental	180,000	(18,082)	161,918
Investment and other	1,402,700	645,000	2,047,700
Total revenues	<u>59,043,900</u>	<u>8,313,516</u>	<u>67,357,416</u>
Expenditures -			
Current -			
General government	19,030,958	1,448,193	20,479,151
Public safety	22,346,490	(694,713)	21,651,777
Public works	10,534,189	(2,646,488)	7,887,701
Culture and recreation	9,367,670	(354,853)	9,012,817
Total expenditures	<u>61,279,307</u>	<u>(2,247,861)</u>	<u>59,031,446</u>
Excess (deficiency) of revenues over expenditures	<u>(2,235,407)</u>	<u>10,561,377</u>	<u>8,325,970</u>
Other financing sources (uses) -			
Lease purchase proceeds	600,000	-	600,000
Transfers in	1,640,000	-	1,640,000
Transfers out	-	(10,561,377)	(10,561,377)
Total other financing sources (uses)	<u>2,240,000</u>	<u>(10,561,377)</u>	<u>(8,321,377)</u>
Excess of revenues and other financing sources over expenditures and other uses	<u>\$ 4,593</u>	<u>\$ -</u>	<u>\$ 4,593</u>

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**I. ENCUMBRANCES**

**Encumbrances** represent commitments related to unperformed (executory) contracts for goods or services. For budgetary purposes, encumbrances lapse at fiscal year-end.

**J. CASH AND CASH EQUIVALENTS**

In accordance with GASB Statement 9, for reporting purposes, the City has developed a definition of cash equivalents. Cash equivalents are demand deposit account balances, investments with the State Investment Pool, repurchase agreements, obligations of the United States government and its agencies, commercial paper and certificates of deposit with original maturities of three months or less.

**K. INVENTORIES AND PREPAID ITEMS**

**Inventories** for all funds are valued the lower of cost or market. The consumption method is used to account for inventories. Under the consumption method, an expenditure is recognized when inventory items are used. Cost is determined for inventories of supplies on the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as **prepaid items** (other current assets) in both the government-wide and fund financial statements.

**L. CAPITAL ASSETS**

**Capital assets** are stated at historical cost. Maintenance and repairs are charged to operations as incurred. Improvements and betterments, which extend the useful lives of assets, are capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by the fund's measurement focus. The minimum capitalization threshold is any individual item with a total cost greater than \$ 2,000 and a useful life of at least 5 years. Contributed assets are recorded at the estimated fair market value at the time received.

Public domain capital assets (infrastructure) have been capitalized. Infrastructure consists of certain improvements other than buildings, including roads, curbing, gutters, streets and sidewalks and drainage systems.



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**L. CAPITAL ASSETS (CONTINUED)**

In the government-wide statements, depreciation of plant and equipment classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

<i>Buildings</i>	<i>30 – 50 years</i>
<i>Improvements other than buildings</i>	<i>10 – 40 years</i>
<i>Machinery and equipment</i>	<i>5 – 10 years</i>

When capital assets are retired or otherwise disposed of, a gain or loss on disposal of assets is recognized.

In the fund financial statements, because of the application of the current financial resources focus and the use of modified accrual accounting for governmental funds, depreciation is only recognized for the Enterprise Funds.

For the Enterprise Fund's capital assets, interest is capitalized on construction costs. The amount of interest cost capitalized for assets constructed with tax-exempt borrowings is equal to the cost of borrowing, less interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowings. The total amount of interest expense incurred and expensed was \$ 82,805.

**M. LONG-TERM DEBT**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**M. LONG-TERM DEBT (CONTINUED)**

Hotel Occupancy Tax Revenue Bonds were issued to fund the City's portion of the construction of a convention center complex. The project costs were shared with a private corporation in accordance with the Master Agreement Regarding Convention Center Development. The Hotel Occupancy Tax Revenue Bonds are to be repaid from the hotel tax revenues.

Loans from the State Infrastructure Bank have been received to fund transportation improvements. The loans are to be repaid from revenues of the Round Rock Transportation System Development Corporation.

Revenue bonds, which have been issued to fund capital projects of the Enterprise Fund are to be repaid from net revenues of the utility systems.

Sales tax revenue bonds have been issued to fund transportation improvements. The bonds are to be repaid from revenues of the Round Rock Transportation System Development Corporation.

**N. UNPAID COMPENSATED ABSENCES**

Each employee may accumulate a total of two years vacation eligibility. Employees are paid for the accumulated vacation upon termination. Effective January 1, 1994, a liability for sick pay is not recorded since sick pay does not vest.

The City accrues a liability for accumulated vacation and sick leave benefits, which meet the following criteria:

- *The City's obligation to fund accumulated vacation and sick leave benefits is attributable to employees' services already rendered*
- *The obligation relates to rights that vest or accumulate*
- *Payment of the compensation is probable*
- *The amount can be reasonably estimated*

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**O. TRANSACTIONS BETWEEN FUNDS**

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds - are accounted for as transfers.

As a rule, the effect of interfund activity has been eliminated from the government-wide statement of net assets. Exceptions to this rule are cost reimbursement transactions between the enterprise fund and various other functions of the government for utilities and for reimbursement of personnel costs for employees administering grant programs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**P. RESTRICTED ASSETS**

Certain bond proceeds, as well as resources set aside for their repayment, are classified as restricted assets because their use is limited by bond covenants. Other assets are restricted due to City Ordinance restrictions on their use.

Net assets have been restricted for the excess of restricted assets over related liabilities to the extent such restricted assets were accumulated from revenues (i.e., in some cases, restricted assets were obtained in total or in part from the proceeds of bond sales or grants).

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Q. FUND BALANCE/NET ASSETS**

Fund balance and net assets represent the difference between assets and liabilities. Fund balance reservations identify the portion of fund balance that is segregated for a future purpose or not available for expenditure in the following period.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**Q. FUND BALANCE/NET ASSETS (CONTINUED)**

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**1) Fund balance components:**

- i. Federal seizure – reserved for expenditures on law enforcement expenditures as authorized by state law for asset forfeiture monies.
- ii. Non-current loans receivable – reserved for loans receivable that are not due within the next year.
- iii. Debt service – reserved for the retirement of general long-term debt.
- iv. Nonexpendable endowment – reserved for the principal amount of the original contribution.
- v. Authorized construction – reserved to fund capital projects.
- vi. Unreserved & undesignated – funds available for expenditure in the following period.

**2) Net asset categories :**

- i. Invested in capital assets, net of related debt — capital assets, net of accumulated depreciation, reduced by
  - a) the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.
  - b) unspent bond proceeds.
- ii. Debt service – restricted for the retirement of bonds.
- iii. Capital projects – funds whose source is restricted for future capital improvements.
- iv. Nonexpendable endowment – restricted for the principal amount of the original contribution.
- v. Unrestricted – no limitations are imposed on the use of net assets.

**R. TAP-IN (CONNECTION FEES) AND IMPACT FEES**

Water and sewer tap-in fees (connection fees) represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service.

The impact fee substantially exceeds the cost of connection to the water and sewer system, and is therefore viewed as a contribution. Effective with the implementation of Governmental Accounting Standards Board Statement 33, impact fees are recorded as contributions in the Enterprise Fund.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**I. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**S. COMPARATIVE DATA/RECLASSIFICATIONS**

Comparative total data for the prior year has not been presented. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	\$ 158,562,630
Plus: Issuance premium (to be amortized against interest expense)	2,425,529
Less: Deferred charge from issuance costs (to be amortized over life of debt)	(1,619,214)
Less: Deferred charge on refundings (to be amortized over life of debt)	(2,426,376)
Accrued interest payable	1,110,825
Capital leases payable	988,431
Compensated absences	<u>2,414,987</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 161,456,812</u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 29,836,204
Depreciation expense	<u>(18,470,168)</u>
Net adjustment to increase <i>net changes in fund balances -</i> <i>total governmental funds to arrive at changes in net assets</i> <i>of governmental activities</i>	<u>\$ 11,366,036</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)**

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net assets." The details of this difference are as follows:

Donations	\$ 12,918,203
Reclassifications, disposals, and transfers	<u>(799,464)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$ 12,118,739</u></u>

Another element of the reconciliation states that "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Issuance of Series 2005 General Obligation Refunding Bonds	\$ 19,915,000
Plus premium on issuance	1,361,510
Bond issuance costs, net of amortization	(348,790)
Capital lease proceeds	600,000
Governmental bonded debt payments	(7,134,818)
Capital leases payments	(383,570)
Payment to escrow agent for refunding	<u>(20,927,719)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities</i>	<u><u>\$ (6,918,387)</u></u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (CONTINUED)**

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Amortization of bond premium	\$ 145,121
Change in compensated absences	(35,961)
Change in accrued interest	106,463
Amortization of issuance costs	<u>(250,247)</u>
Net adjustment to decrease <i>net changes in fund balances - total</i> <i>governmental funds to arrive at changes in net assets of</i> <i>governmental activities</i>	<u><u>\$ (34,624)</u></u>

**III. PROPERTY TAXES**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson County Appraisal District established appraisal values in accordance with requirements of the Texas Legislature.

The City Council levies taxes based upon the appraised values. The Round Rock Independent School District bills and collects the City's property taxes.

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real and personal property within the City on the 2004 tax roll. The tax rate, based on total taxable assessed valuation of \$ 5,331,147,691 was \$ .37972 on each \$ 100 valuation and was allocated to the General Fund and Debt Service Fund at \$.20922 and \$ .17050 respectively.

Property taxes receivable at September 30, 2005, consisted of the following:

	General Fund	Debt Service Fund	Total
Current year levy	\$ 93,195	\$ 75,948	\$ 169,143
Prior years' levies	<u>234,587</u>	<u>229,288</u>	<u>463,875</u>
	327,782	305,236	633,018
Less - allowance for uncollectible taxes	<u>(37,133)</u>	<u>(30,330)</u>	<u>(67,463)</u>
	<u><u>\$ 290,649</u></u>	<u><u>\$ 274,906</u></u>	<u><u>\$ 565,555</u></u>

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**IV. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2005 was as follows:

	October 1, 2004	Additions/ Completions	Retirements/ Adjustments	September 30, 2005
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 19,004,731	\$ 885,709	\$ -	\$ 19,890,440
Construction in progress	55,424,031	27,972,915	(43,476,248)	39,920,698
Total capital assets not being depreciated	74,428,762	28,858,624	(43,476,248)	59,811,138
Capital assets being depreciated:				
Buildings and improvements	360,342,966	51,620,729	(134,442)	411,829,253
Equipment	28,406,794	5,146,774	(1,124,319)	32,429,249
Total capital assets being depreciated	388,749,760	56,767,503	(1,258,761)	444,258,502
Less accumulated depreciation for:				
Buildings and improvements	113,701,447	14,580,272	(9,824)	128,271,895
Equipment	19,575,520	3,889,896	(1,054,001)	22,411,415
Total accumulated depreciation	133,276,967	18,470,168	(1,063,825)	150,683,310
Total capital assets being depreciated, net	255,472,793	38,297,335	(194,936)	293,575,192
Governmental activities capital assets, net	<u>\$ 329,901,555</u>	<u>\$ 67,155,959</u>	<u>\$ (43,671,184)</u>	<u>\$ 353,386,330</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,544,504	\$ -	\$ -	\$ 2,544,504
Construction in progress	4,237,708	11,222,203	(3,579,661)	11,880,250
Total capital assets not being depreciated	6,782,212	11,222,203	(3,579,661)	14,424,754
Capital assets being depreciated:				
Buildings and improvements	183,214,623	9,810,378	(241,688)	192,783,313
Equipment	7,195,178	370,757	(1,133,766)	6,432,169
Total capital assets being depreciated, net	190,409,801	10,181,135	(1,375,454)	199,215,482
Less accumulated depreciation for:				
Building and improvements	35,631,148	6,237,829	(19,077)	41,849,900
Equipment	5,284,121	650,299	(1,109,732)	4,824,688
Total accumulated depreciation	40,915,269	6,888,128	(1,128,809)	46,674,588
Total capital assets being depreciated, net	149,494,532	3,293,007	(246,645)	152,540,894
Business-type activities capital assets, net	<u>\$ 156,276,744</u>	<u>\$ 14,515,210</u>	<u>\$ (3,826,306)</u>	<u>\$ 166,965,648</u>



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**IV. CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 1,448,311
Public safety	1,087,810
Public works	14,395,626
Culture and recreation	1,538,421
Total depreciation expense-governmental activities	<u>\$ 18,470,168</u>

Business-type activities:

Water and sewer utility	\$ 6,732,231
Golf course	155,897
Total depreciation expense-business-type activities	<u>\$ 6,888,128</u>

Major construction contracts in progress from inception to September 30, 2005, consisted of the following:

	Project Authorization	Expended to 9/30/2005	Committed	Future Financing
Projects funded principally by general obligation debt -				
Streets, park, library, public safety and general improvements	\$ 10,073,962	\$ 9,728,963	\$ 344,999	None
Streets and other improvements	5,584,411	5,581,801	2,610	None
Parks, public safety, streets and public service facilities	32,965,599	20,228,090	12,737,509	None
Municipal complex, parkland and streets	10,790,811	10,306,960	483,851	None
Municipal complex, public safety and street improvements	14,744,400	1,008,081	13,736,319	None
Yard site and fire improvements	1,565,553	1,565,553	-	None
Self-financed construction	37,809,101	32,681,104	5,127,997	None
Round Rock Transportation System- road improvements	132,836,415	85,236,849	47,599,566	None
Convention Center Complex	294,537	294,537	-	None
	<u>\$246,664,789</u>	<u>\$ 166,631,938</u>	<u>\$ 80,032,851</u>	
Projects funded by revenue bonds and developer contributions:				
Utility line improvements	\$ 2,278,212	\$ 1,779,564	\$ 498,648	None
Self-financed construction	58,813,825	35,929,974	22,883,851	None
	<u>\$ 61,092,037</u>	<u>\$ 37,709,538</u>	<u>\$ 23,382,499</u>	

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**V. BONDED DEBT**

The following is a summary of bond transactions of the City for the year ended September 30, 2005,  
(in thousands of dollars):

	Balance October 1, 2004	Increases	Decreases	Balance September 30, 2005
<b>Governmental Activities:</b>				
Bonds	\$ 87,965	\$ 19,915	\$ (9,200)	\$ 98,680
Certificates	18,279	-	(14,808)	3,471
Hotel Tax Revenue	8,545	-	(45)	8,500
State Infrastructure				
Bank loan	26,748	-	(1,436)	25,312
Sales Tax Revenue	23,550	-	(950)	22,600
Plus deferred amount:				
For issuance premium	1,209	1,362	(145)	2,426
Subtotal-Governmental Bonded Debt	<u>166,296</u>	<u>21,277</u>	<u>(26,584)</u>	<u>160,989</u>
<b>Business-Type Activities:</b>				
Revenue	<u>1,207</u>	<u>-</u>	<u>(937)</u>	<u>270</u>
<b>Total</b>	<u><u>\$ 167,503</u></u>	<u><u>\$ 21,277</u></u>	<u><u>\$ (27,521)</u></u>	<u><u>\$ 161,259</u></u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**V. BONDED DEBT (CONTINUED)**

Bonds, certificates of obligation payable and loans at September 30, 2005, were comprised of the following individual issues (in thousands of dollars):

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding 9/30/2005</u>
<b><u>Governmental Activities:</u></b>			
<b><u>General Obligation Bonds</u></b>			
Series 1996 / 8-15-96	4.50-5.80%	\$ 13,125	\$ 960
Series 1997 / 11-15-97 Refunding	4.10-5.25%	5,300	4,430
Series 1998 / 7-9-98	4.80-6.75%	8,905	3,425
Series 2002 / 5-9-02 GO & Refunding	3.25-5.50%	45,465	38,320
Series 2004 / 8-12-04 GO & Refunding	2.00-5.25%	31,945	31,735
Series 2005 / 1-27-05 Refunding	2.25-5.00%	19,915	19,810
		<u>124,655</u>	<u>98,680</u>
<b><u>Certificates of Obligation</u></b>			
Series 1975 / 8-1-75	5.00%	69	6
Series 1995 / 3-15-95	4.60-6.25%	7,940	1,205
Series 1997 / 4-15-97	5.25-6.50%	5,185	515
Series 1998 / 7-9-98	4.40-6.40%	2,550	345
Series 2000 / 5-25-00	5.00-6.25%	10,750	1,400
		<u>26,494</u>	<u>3,471</u>
<b><u>Hotel Tax Revenue Bonds</u></b>			
Series 1999 / 3-25-99	5.00-5.85%	8,605	8,500
<b><u>State Infrastructure Bank Loans</u></b>			
Series 2000 / 8-28-00	4.60%	16,000	11,812
Series 2002 / 7-31-02	4.50%	15,000	13,500
		<u>31,000</u>	<u>25,312</u>
<b><u>Sales Tax Revenue Bonds</u></b>			
Series 2001 / 5-15-01	3.90-5.50%	25,890	22,600
<b>Total Governmental Bonded Debt</b>		<u><u>\$ 216,644</u></u>	<u><u>\$ 158,563</u></u>
<b><u>Business-type Activities:</u></b>			
<b><u>Revenue Bonds</u></b>			
Series 1987 / 2-1-87	5.30-8.3%	\$ 2,910	\$ 270
Series 1995 / 7-15-95 Refunding	3.85-5.1%	7,220	-
<b>Total Business-Type Activities Bonded Debt</b>		<u><u>\$ 10,130</u></u>	<u><u>\$ 270</u></u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**V. BONDED DEBT (CONTINUED)**

The annual requirements to amortize bonded, certificates of obligation and loan debt at September 30, 2005, including interest, are as follows (in thousands of dollars):

**Governmental Activities:**

Year Ended September 30,	General and Certificates of Obligation Debt		Hotel Tax Revenue		State Infrastructure Bank Loan		Sales Tax Revenue		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2006	\$ 4,163	\$ 4,904	\$ 50	\$ 488	\$ 1,502	\$ 1,151	\$ 990	\$ 1,117	\$ 14,365
2007	3,748	4,723	55	485	1,571	1,082	1,030	1,078	13,772
2008	4,480	4,535	275	477	1,642	1,011	1,070	1,037	14,527
2009	4,065	4,350	290	463	1,718	936	1,115	993	13,930
2010	4,175	4,200	305	446	1,796	857	1,160	945	13,884
2011-2015	24,435	17,968	1,830	1,940	10,287	2,979	6,665	3,862	69,966
2016-2020	30,850	11,528	2,430	1,327	4,636	1,131	8,570	1,966	62,438
2021-2025	21,365	4,248	3,265	499	2,160	146	2,000	105	33,788
2026-2028	4,870	369	-	-	-	-	-	-	5,239
	<u>\$102,151</u>	<u>\$ 56,825</u>	<u>\$ 8,500</u>	<u>\$ 6,125</u>	<u>\$ 25,312</u>	<u>\$ 9,293</u>	<u>\$ 22,600</u>	<u>\$ 11,103</u>	<u>\$241,909</u>

**Business-Type Activities:**

Year Ended September 30,	Revenue		
	Principal	Interest	Total
2006	<u>\$ 270</u>	<u>\$ 14</u>	<u>\$ 284</u>

In prior years, the City defeased certain revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2005, \$ 30,350,000 of bonds outstanding are considered defeased.

Bond ordinances also provide for other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

Bonds authorized and unissued at September 30, 2005, amounted to \$ 36,385,000.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**V. BONDED DEBT (CONTINUED)**

In March of 1997, the City issued \$ 2,690,000 in special assessment debt for which it is not obligated in any manner beyond the resources provided by the Encino Plaza Public Improvement District. For purposes of this debt, the City is merely acting as an agent for property owners in collecting the assessments and forwarding them to the bondholders. At September 30, 2005, the amount of debt outstanding was \$ 1,320,000.

In January 2005 the City issued Series 2005 General Obligation Refunding bonds to advance refund \$19,305,000 of general and certificate of obligation debt. The net proceeds of the \$ 19,915,000 of the general obligation bonds (after payment of \$ 348,790 in underwriters discount and costs) were used to purchase U.S. government securities. Those securities were deposited into irrevocable trusts with an escrow agent for the purpose of generating resources for all future debt service payments for the refunded debt. As a result, the refunded bonds are considered defeased, and the debt for these bonds has been removed from the City's financial statements.

This advance refunding will reduce the total debt service payments over the next 18 years by \$ 1,889,650, and will result in an economic gain (i.e. the difference between the present value of the debt service payments of the refunded debt and the refunding bonds) of \$ 957,865.

**A. UTILITY REVENUE BONDS**

The City is required by bond ordinances to pledge the net revenues of the waterworks and sewer system for the retirement of its outstanding revenue bonds, including interest thereon, and is required for such purposes to maintain debt service funds and bond reserve funds for all outstanding revenue bonds.

The debt service funds, aggregating \$ 50,210 at September 30, 2005, are restricted within the Enterprise Fund and require that net revenues of the City's waterworks and sewer system, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve funds for revenue bond retirement, aggregating \$ 287,856 at September 30, 2005, are also restricted within the Enterprise Fund. The City is in compliance with the requirement to maintain a combined reserve fund containing cash and investments in an amount equal to the average annual principal and interest requirements of all bonds then outstanding. At September 30, 2005, the required reserve totaled \$ 284,310. The City also covenants under the bond indentures that reserve funds shall be invested in time deposits, certificates of deposit and direct or guaranteed obligations of the United States of America.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**V. BONDED DEBT (CONTINUED)**

**B. HOTEL TAX REVENUE BONDS**

The debt service fund for the hotel tax revenue bonds, aggregating \$ 297,357 at September 30, 2005, is reported in the governmental funds. Bond covenants require that the hotel tax revenues be irrevocably pledged by providing quarterly installments, which will accumulate to the semi-annual principal and interest requirements as they become due.

The bond reserve fund for hotel tax revenue bond retirement aggregates \$ 734,070 at September 30, 2005. This amount is in compliance with the requirements contained in the bond's Indenture Agreement. This agreement requires  $\frac{1}{2}$  of the average annual debt service requirements of the bonds in the reserve fund be deposited upon issuance of the bonds, with quarterly installments until the required reserve is attained.

**C. SALES TAX REVENUE BONDS**

The Round Rock Transportation System Development Corporation issued the sales tax revenue bonds. The Corporation is a blended component unit of the City of Round Rock, which collects  $\frac{1}{2}$  of 1% of the sales tax collected by the State on its behalf. Although the Corporation is presented as a blended component unit, none of the City's assets are pledged to payment of the bonds. The bonds are secured solely by a pledge of the revenues of the Round Rock Transportation System Development Corporation.

The debt service fund for the sales tax revenue bonds, aggregating \$ 242,262 at September 30, 2005, is reported in the governmental funds. Bond covenants require that the Corporation's share of the sales tax is pledged as security for the bonds. The Corporation provides monthly installments that accumulate to the semi-annual principal and interest requirements as they become due.

A reserve fund was not established for these bonds. The Corporation purchased bond insurance to provide for payment of the principal and interest requirements in the event that pledged revenues are not sufficient.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**VI. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables as of September 30, 2005 were as follows:

Receivable Fund	Payable Fund	Amount
General	Debt service	\$ 36,774
	Round Rock Transportation System	
	Development Corporation Revenue	183,500
Debt Service	General Fund	30,727
Self-Financed Construction	General Fund	18,484,674
	Round Rock Transportation System	
	Development Corporation Revenue	1,829,389
Water and Sewer	General Fund	41,324
Internal Service	General Fund	378,520
	Water and Sewer	116,411
	Nonmajor Governmental Fund	9,616
		<u>\$ 21,110,935</u>

The balance of \$ 18,484,674 due to the self-financed construction fund from the general fund resulted from scheduled transfers to fund approved capital programs. The balance of \$ 1,829,389 due to the self-financed construction fund from the Round Rock Transportation System Development Corporation Revenue fund represents a reimbursement due for capital outlay initially funded from general revenues.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**VI. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

The City reports interfund transfers between many of its funds. These routine transfers are consistent with the activities of the funds. For the year ended September 30, 2005, transfers were as follows:

	Transfers In	Transfers Out
General Fund -		
Water and Sewer Fund	\$ 1,640,000	\$ -
Self-financed Construction	-	10,503,105
	<u>1,640,000</u>	<u>10,503,105</u>
Debt Service Fund -		
Water and Sewer Fund	701,964	-
Golf Course Fund	410,459	-
Round Rock Transportation Development Corporation Revenue Fund	4,746,470	-
Nonmajor Governmental Funds	494,990	2,203
	<u>6,353,883</u>	<u>2,203</u>
Round Rock Transportation Development Corporation Revenue Fund -		
Round Rock Transportation Development Corporation Project Fund	-	6,625,000
Debt Service Fund	-	4,746,470
	<u>-</u>	<u>11,371,470</u>
Round Rock Transportation Development Corporation Project Fund -		
Round Rock Transportation Development Corporation Revenue Fund	6,625,000	-
	<u>6,625,000</u>	<u>-</u>
Self-Financed Construction -		
General Fund	10,503,105	-
Nonmajor Governmental Funds	10,000	-
Permanent Fund	7,094	-
	<u>10,520,199</u>	<u>-</u>
2004 General Obligation Bonds Fund -		
Nonmajor Governmental Funds	-	329,885
	<u>-</u>	<u>329,885</u>
Nonmajor Governmental Funds -		
Self-financed Construction	17,094	494,990
Debt Service Fund	2,203	-
Nonmajor Governmental Funds	2,644,343	2,348,646
	<u>2,663,640</u>	<u>2,843,636</u>
Water and Sewer Fund-		
General Fund	-	1,640,000
Debt Service Fund	-	701,964
	<u>-</u>	<u>2,341,964</u>
Golf Course Fund-		
Debt Service Fund	-	410,459
	<u>\$ 27,802,722</u>	<u>\$ 27,802,722</u>



**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**VI. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**VII. RESTRICTED ASSETS**

The following summarizes restricted assets by purpose at September 30, 2005:

	Cash & Cash Equivalents	Investments	Accrued Interest Receivable	Property Taxes Receivable
<b>Governmental Activities:</b>				
Debt Service fund	\$ 2,547,022	\$ -	\$ 2,248	\$ 274,906
Restricted by debt covenants-				
Round Rock Transportation				
System Development Corp.	28,501,198	7,942,314	43,519	-
Convention Center	2,300	-	-	-
Construction	23,918,754	16,863,008	57,847	-
Permanent fund	100,000	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 55,069,274</b>	<b>\$ 24,805,322</b>	<b>\$ 103,614</b>	<b>\$ 274,906</b>
	Cash & Cash Equivalents	Investments	Accrued Interest Receivable	Accounts Receivable
<b>Business-Type Activities:</b>				
Water and sewer fund-				
Revenue bond debt service	\$ 338,067	\$ -	\$ -	\$ -
Construction	7,015,329	-	-	-
Impact fees	8,737,528	3,953,700	14,722	234,534
Customer deposits	811,729	-	-	-
<b>Total Business-Type Activities</b>	<b>\$ 16,902,653</b>	<b>\$ 3,953,700</b>	<b>\$ 14,722</b>	<b>\$ 234,534</b>

**VIII. EMPLOYEE RETIREMENT PLAN**

**Plan Description**

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide *Texas Municipal Retirement System (TMRS)*, one of 801 administered by *TMRS*, an agent multiple-employer public employee retirement system.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**VIII. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

**Plan Description (continued)**

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions were as follows:

<b>Deposit rate:</b>	<b>7%</b>
<b>Matching Ratio (City to Employee):</b>	<b>2-1</b>
<b>A member is vested after</b>	<b>5 years</b>

Members can retire at certain ages, based on the years of service to the City.  
The Service Retirement Eligibilities for the City are: with 5 yrs/age 60  
with 20 yrs/any age

**Contributions**

Under the state law governing *TMRS*, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2004 valuation is effective for rates beginning January 2006).

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**VIII. EMPLOYEE RETIREMENT PLAN (CONTINUED)**

***Schedule of Actuarial Liabilities and Funding Progress***

Actuarial Valuation Date	12/31/2002	12/31/2003	12/31/2004
Actuarial Value of Assets	\$ 30,949,360	\$ 36,402,438	\$ 41,575,455
Actuarial Accrued Liability	\$ 39,737,830	\$ 48,363,968	\$ 54,775,757
Percentage Funded	77.9%	75.3%	75.9%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,788,470	\$ 11,961,530	\$ 13,200,302
Annual Covered Payroll	\$ 24,466,510	\$ 26,243,938	\$ 28,634,361
UAAL as a Percentage of Covered Payroll	35.9%	45.6%	46.1%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual required contribution (ARC)	\$ 2,713,534	\$ 3,005,291	\$ 3,553,633
Interest on NPO	-	-	-
Adjustment to the ARC	-	-	-
Subtotal	<u>2,713,534</u>	<u>3,005,291</u>	<u>3,553,633</u>
Contributions Made	(2,713,534)	(3,005,291)	(3,553,633)
Increase in NPO	-	-	-
NPO at the end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following assumptions utilized by *TMRS*, and applicable 6-year trend information are contained in the 2004 *TMRS Comprehensive Annual Financial Report*, a copy of which can be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

Actuarial Cost Method –	Unit Credit
Amortization Method –	Level Percent of Payroll
Remaining Amortization Period –	25 Years – Open Period
Asset Valuation Method –	Amortized Cost (to accurately reflect the requirements of GASB Stmt. No. 25)
Investment Rate of Return –	7%
Projected Salary Increases –	None
Includes Inflation At –	3.5%
Cost-of-Living Adjustments –	None

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**IX. LEASE - PURCHASES PAYABLE**

The City is obligated under certain capital leases. Equipment under capital leases totaled \$ 1,175,000 at September 30, 2005. Following is a summarization of capital lease transactions for the year ended September 30, 2005:

	<u>Governmental Activities</u>
Balance, October 1, 2004	\$ 772,001
Retirements	(383,570)
Lease proceeds	600,000
Balance, September 30, 2005	<u>\$ 988,431</u>

Lease obligations are funded with general revenue sources.

The annual requirements to amortize the lease-purchases to maturity are as follows:

<u>Year Ended September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 384,994	\$ 27,719	\$ 412,713
2007	396,736	15,977	412,713
2008	206,701	5,223	211,924
	<u>\$ 988,431</u>	<u>\$ 48,919</u>	<u>\$ 1,037,350</u>

**X. ACCRUED COMPENSATED ABSENCES**

Changes to accrued compensated absences for the year ended September 30, 2005, were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Balance, October 1, 2004	\$ 2,379,026	\$ 215,018
Additions	1,802,540	206,214
Reductions	<u>(1,766,579)</u>	<u>(180,817)</u>
Balance, September 30, 2005	<u>\$ 2,414,987</u>	<u>\$ 240,415</u>

Accrued compensated absences due within one year were \$ 1,369,835 for governmental activities and \$ 218,015 for business-type activities. Liabilities for accrued compensated absences are funded from general revenues for the governmental activities and program revenues for the business-type activities.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**XI. CASH AND INVESTMENTS**

**Cash -**

At September 30, 2005, the carrying amount of deposits was \$ 179,832 primarily consisting of outstanding checks; and the respective bank balances totaled \$ 2,567,356. The City's bank balances were fully insured or collateralized with securities held by the City's agent in the City's name.

**Investments -**

All investments are presented at fair value. The fair value of U.S. Government Securities is based upon discounted future cash flows. The fair value of the positions in the state investment pools is the same as the value of the pool shares. The decrease in the fair value of investments during the year ended September 30, 2005 is as follows:

Fair value at September 30, 2005	\$ 92,195,373
Add: Proceeds of investments matured this fiscal year	44,000,000
Less: Cost of investments purchased this fiscal year	(66,113,499)
Less: Fair value at September 30, 2004	<u>(70,243,714)</u>
Change in fair value of investments	<u>\$ (161,840)</u>

Reconciliation of cash and investments to the statement of net assets amounts for cash and cash equivalents and investments is as follows:

Cash in banks	\$ 179,832
Investments	<u>201,374,451</u>
Total cash and investments	<u>\$ 201,554,283</u>

Statement of net assets presentation:

Cash and cash equivalents	\$ 37,386,983
Investments	63,436,351
Restricted assets -	
Cash and cash equivalents	71,971,927
Investments	<u>28,759,022</u>
Total cash and cash equivalents and investments	<u>\$ 201,554,283</u>

Investments are classified as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
U. S. Government Securities	\$ 92,195,373	\$ 92,195,373
Investments in State Investment Pools	<u>109,179,078</u>	<u>109,179,078</u>
	<u>\$ 201,374,451</u>	<u>\$ 201,374,451</u>

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**XI. CASH AND INVESTMENTS (CONTINUED)**

Legal and Contractual Provisions Governing Deposits and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Additional Contractual Provisions governing deposits and investments are as follows:

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Policies Governing Deposits and Investments

1. Foreign Currency Risk – The City's deposits and investments are not exposed to foreign currency risk.
2. Custodial Credit Risk – The City's policy is to be collateralized. The City was fully collateralized during the year.
3. Interest Rate Risk – The City has no debt securities which have interest rate risk.
4. Other Credit Risk Exposure – The City does not invest in debt securities directly; however there are some in the pools the City invests in.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**XI. CASH AND INVESTMENTS (CONTINUED)**

The City invests on a short term basis in two investment pools. At September 30, 2005, \$ 90,000,630 was invested in Texpool. The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the state investment pool. The Comptroller maintains oversight of all operations of the pool. The state investment pool is rated AAAM by Standard and Poor's.

In addition, \$ 19,178,448 was invested in the Texas Short Term Asset Reserve Program (TexSTAR). TexSTAR is an investment pool that is authorized under Chapters 791 (Cooperation Act) and 2256 (Investment Act) of the Texas Government Code. The investment pool is managed by a five member board of directors and a nine member advisory board. Participants have representation on the board. TexSTAR is rated AAAM by Standard & Pools.

5. Concentration Risk – The City invests only in pools and U. S. Government Securities. State law authorizes the City to invest in obligations of the United States government and its agencies, commercial paper and certificates of deposit of any state or federally chartered bank. All investments made in 2005 were of the aforementioned categories. There are no positions of 5 percent or more in the securities of a single issuer.

**XII. MUNICIPAL GOLF COURSE**

**Management Agreement**

Management of the City's golf course has been performed by a private operator in accordance with the terms of agreements dated 1989, 1995 and 2000. On May 1, 2005, the City entered into a New Management Agreement with the operator for a period of five years. Under conditions set forth in the New Management Agreement, the operator shall be paid a monthly base management fee. Additionally, the operator may earn a variable fee based upon gross receipts of the golf course. Gross receipts from operations are agreed to be used, in order, for monthly scheduled debt payments, payments to a capital reserve account, current operating expenses, an operating reserve, the base management fee, a 1% distribution to the City, the variable fee and any unpaid obligations limited by available gross receipts. Any remaining gross receipts are to be distributed to the City.

**XIII. COMMITMENTS AND CONTINGENCIES**

**Tax Collections**

The City has a contract with the Round Rock Independent School District to collect City taxes and deposit monies to the City's accounts. For this service, the School District was paid a contract amount of \$ 9,830.

**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**XIII. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Commitments for Road Construction**

The City's component unit, the Round Rock Transportation System Development Corporation has entered into various commitments with the State of Texas, Department of Transportation relative to the construction of roadways.

**Water Supply Agreements**

On May 2, 1978, the City entered into the "Water Supply Contract" with the Brazos River Authority ("the Authority"), providing the City the right to purchase 6,720 acre-feet of water per year from Lake Georgetown. A new agreement, "System Water Availability Agreement for Lake Georgetown" dated September 1, 2001, replaced that agreement. The new agreement revised the rate methodology from a tiered system rate, wherein rates change based upon the City's consumption, to a level system rate. For the fiscal year ended September 30, 2005, the City's cost under this contract was \$ 307,440.

On September 12, 1991, the City entered into the "Replacement Water Supply Agreement" with the Authority, wherein it received the right to purchase 8,134 acre-feet of water per year from Lake Stillhouse Hollow. Rights for an additional 10,000 acre-feet of water were acquired in the November 13, 1996 "System Water Supply Agreement". These agreements were replaced with the "System Water Availability Agreement for Lake Stillhouse Hollow" dated September 1, 2001. Under this agreement, the City purchases 18,134 acre-feet per year at the new system rate. For the fiscal year ended September 30, 2005, the City's cost under this contract was \$ 829,631.

Effective September 1, 2001, the City entered into a "System Water Availability Agreement for Colorado River Basin Water" with the Authority, wherein it received reserved water rights for an additional 6,944 acre-feet of water. Effective September 1, 2002, a "Water Sale Contract" granted Round Rock rights to 4,500 additional acre-feet of water per year from the Colorado River Basin. For the fiscal year ended September 30, 2005, the City's cost under these contracts was \$ 616,946.

Future annual charges under the Water Supply Agreements will be based upon the system rate periodically set by the Authority.

**Regional Sewer Project**

In 1985, the City entered into a Wastewater Disposal Contract with Brushy Creek Water Control and Improvement District No. 1 of Williamson and Milam Counties ("District"), the City of Austin, and two Municipal Utility Districts. The agreement provided for the District to construct a pipeline and a treatment plant for the collection and treatment of wastewater. In subsequent years, the two Municipal Utility Districts withdrew from the project. In 1989, the City sold certain facilities to the District for approximately \$ 3,300,000. In 1991, the City and the City of Austin postponed further construction until such time that demand was greater.



**CITY OF ROUND ROCK, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2005**

**XIII. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Regional Sewer Project (continued)**

In October 1996, as part of a plan for a regional wastewater collection, treatment and disposal system, the City and the City of Cedar Park entered into agreements with an alliance ("Alliance") formed by the Brazos River Authority ("BRA") and the Lower Colorado River Authority ("LCRA"). In 1998, LCRA acquired the treatment facilities of the City. BRA will operate and maintain the regional system to collect wastewater from the City and other participants for the purpose of treating and disposing of such wastewater. Based on demand, the Alliance will acquire and/or construct additional facilities. Acquisition and construction funding, as well as debt servicing, is the responsibility of the Alliance.

As a customer of the system, the City has an unconditional obligation to pay fees to the Alliance. Fees are calculated from capital and flow components based on reserved capacity and proportional flows. The capital charge component is paid for the term of Alliance bonds used to construct or purchase system facilities. The flow charge component continues as long as the City uses the system.

For the year ended September 30, 2005, the City has paid fees totaling \$ 5,450,712 for use of the regional facilities.

**Arbitrage Rebate**

Due to requirements of the Tax Reform Act of 1986, the City annually contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2005, the potential rebate requirements of approximately \$ 2,282 have been accrued within the accompanying financial statements.

**Other**

The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees. Total damages claimed are substantial; however, it has been the City's experience that such actions are usually dismissed or settled for amounts substantially less than the claimed amounts. The City Attorney estimates that the potential claims against the City not covered by various insurance policies would not materially affect the financial condition of the City.

**Self-Funded Health Insurance Fund**

The City is self-insured for medical and dental claims. The self-insurance program is maintained in the Self-Funded Health Insurance Internal Service Fund. This program provides health benefit coverage in accordance with a pre-approved plan that establishes coverage limits per employee per year with a lifetime maximum of \$ 1,000,000 per employee. The City purchases commercial insurance for claims in excess of a contractual City liability limit. Additionally, commercial insurance covers claims in excess of an aggregate amount for the City up to \$ 1,000,000 per plan year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**XIII. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Self-Funded Health Insurance Fund (continued)**

An analysis of claims activities is presented below:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Balance at Year-End</u>
2000	\$ 151,117	\$ 1,915,324	\$ 2,000,304	\$ 66,137
2001	\$ 66,137	\$ 2,952,298	\$ 2,336,888	\$ 681,547
2002	\$ 681,547	\$ 2,966,461	\$ 3,533,818	\$ 114,190
2003	\$ 114,190	\$ 3,642,536	\$ 3,594,523	\$ 162,203
2004	\$ 162,203	\$ 4,554,772	\$ 4,449,644	\$ 267,331
2005	\$ 267,331	\$ 4,906,037	\$ 4,948,949	\$ 224,419

The liability is estimated based upon claims settled within the next month.

**Post employment Healthcare Benefits**

The City does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the City incurs no direct costs.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan that permits them to defer a portion of their current salary until future years. Any contributions made to the deferred compensation plan, in compliance with Section 457 of the Internal Revenue Code, are not available to employees until termination of employment, retirement, death or an unforeseen emergency. A third party administrator, Nationwide Retirement Solutions, administers contributions to the plan. Effective January 1997, and in compliance with the provisions of the IRC Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plans' participants and beneficiaries. In accordance with GASB 32, the City provides neither administrative services nor investment advice to the plans and therefore, no fiduciary relationship exists between the City and the deferred compensation plan.

**CITY OF ROUND ROCK, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**SEPTEMBER 30, 2005**

**XIII. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Participation in Public Entity Risk Pool**

The City is a member of the Texas Municipal League's Intergovernmental Risk Pool ("Pool"). The Pool was created for the purpose of providing coverage against risks, which are inherent in operating a political subdivision. The City pays annual premiums to the Pool for liability, property and workers' compensation coverage and all billed premiums upon the coverage have been paid. The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will provide reinsurance contracts through commercial companies. The Pool agrees to handle all liability, property and workers' compensation claims and provide any defense as is necessary. The Pool makes available to the City loss control services to assist the City in following a plan of loss control that may result in reduced losses. The City agrees that it will cooperate in instituting any and all reasonable loss control recommendations made by the Pool. The City has experienced no significant reductions in coverage through the Pool over the past year. There have been no insurance settlements exceeding Pool coverage for any of the past three years.

**Economic Development Agreement**

The City has entered into an economic development agreement with a computer manufacturer. Under the terms of the agreement, the City refunds approximately 31% of sales tax collections on sales made by the computer manufacturer in the State of Texas. The computer manufacturer represents approximately 52% of the City's sales tax collections for the year ended September 30, 2005.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

### **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

### **PERMANENT FUND**

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The City's permanent fund is the Ron Sproull Memorial Endowment Fund, which is used to account for a contribution that is legally restricted so that only the earnings, and not the initial contribution, may be expended on park improvements.

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2005**

	Special Revenue	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 4,090,812	\$ 743,050	\$ 4,262	\$ 4,838,124
Investments	959,970	-	-	959,970
Receivables -				
Accounts and other	44,068	139,206	-	183,274
Loans	19,181	-	-	19,181
Accrued interest	-	117,722	-	117,722
Assessments	4,817	902,761	-	907,578
Restricted assets-				
Cash and cash equivalents	2,300	15,110,873	100,000	15,213,173
Investments	-	4,967,813	-	4,967,813
Receivables	-	24,801	-	24,801
Total assets	<u>\$ 5,121,148</u>	<u>\$ 22,006,226</u>	<u>\$ 104,262</u>	<u>\$ 27,231,636</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities -				
Accounts payable	\$ 110,508	\$ 1,023,171	\$ -	\$ 1,133,679
Interfund payables	9,616	-	-	9,616
Unearned revenue	88,406	989,867	-	1,078,273
Total liabilities	<u>208,530</u>	<u>2,013,038</u>	<u>-</u>	<u>2,221,568</u>
Fund balances -				
Reserved for federal seizure	357,985	-	-	357,985
Reserved for non-current loans receivable	19,181	-	-	19,181
Reserved for endowments	-	-	100,000	100,000
Reserved for authorized construction	-	19,080,877	-	19,080,877
Unreserved - undesignated	4,535,452	912,311	4,262	5,452,025
Total fund balances	<u>4,912,618</u>	<u>19,993,188</u>	<u>104,262</u>	<u>25,010,068</u>
Total liabilities and fund balances	<u>\$ 5,121,148</u>	<u>\$ 22,006,226</u>	<u>\$ 104,262</u>	<u>\$ 27,231,636</u>

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2005**

	Special Revenue	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues -</b>				
Licenses, permits and fees	\$ 464,422	\$ -	\$ -	\$ 464,422
Fines and forfeitures	300,320	-	-	300,320
Intergovernmental	431,739	-	-	431,739
Hotel occupancy tax	1,905,049	-	-	1,905,049
Investment and other	134,858	673,550	2,745	811,153
Contributions	2,277	137,091	-	139,368
Total revenues	<u>3,238,665</u>	<u>810,641</u>	<u>2,745</u>	<u>4,052,051</u>
<b>Expenditures -</b>				
Current -				
General government	499,300	-	-	499,300
Public safety	64,830	-	-	64,830
Culture and recreation	773,068	-	-	773,068
Capital projects	-	8,907,109	-	8,907,109
Total expenditures	<u>1,337,198</u>	<u>8,907,109</u>	<u>-</u>	<u>10,244,307</u>
Excess (deficiency) of revenues over expenditures	<u>1,901,467</u>	<u>(8,096,468)</u>	<u>2,745</u>	<u>(6,192,256)</u>
<b>Other financing sources /(uses) -</b>				
Transfers in	1,907,955	755,685	-	2,663,640
Transfers out	<u>(2,824,671)</u>	<u>(11,871)</u>	<u>(7,094)</u>	<u>(2,843,636)</u>
Total other financing sources/(uses)	<u>(916,716)</u>	<u>743,814</u>	<u>(7,094)</u>	<u>(179,996)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>984,751</u>	<u>(7,352,654)</u>	<u>(4,349)</u>	<u>(6,372,252)</u>
Fund balances, October 1, 2004	<u>3,927,867</u>	<u>27,345,842</u>	<u>108,611</u>	<u>31,382,320</u>
Fund balances, September 30, 2005	<u>\$ 4,912,618</u>	<u>\$ 19,993,188</u>	<u>\$ 104,262</u>	<u>\$ 25,010,068</u>



## **NONMAJOR SPECIAL REVENUE FUNDS**

Special Revenue Funds account for specific resources, other than major capital projects that are restricted to expenditures for specified purposes.

**1981 CDBG Fund** – To account for operations of projects involving economic and community development.

**Street and Bridge Fund** – To account for funds due from improvements within the North Industrial Parkway Public Improvement District.

**Hotel – Motel Occupancy Tax Fund** – To account for the levy and use of the hotel – motel bed tax. Proceeds from this tax are to be used toward tourism, community events, cultural enhancements and promotion of the City.

**Police Fund** – To account for amounts received through drug enforcement actions.

**Municipal Court Fund** – To account for amounts received through child safety fines, court security, and court technology fees.

**Landscape Fund** – To account for amounts received through the City's landscape ordinance.

**Convention Center Revenue Fund** – To account for pledged revenues related to the Hotel Occupancy Tax Revenue Bonds.

**Community Development Block Grant Fund** – To account for grant monies received for programs benefiting persons of low to moderate income.

**Annexation Fees Fund** – To account for amounts received through annexation and development agreements for specified improvements.

**Library Fund** – To account for contributions to the City's library for specific programs.



**CITY OF ROUND ROCK  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2005**

	1981 Community Development Block Grant	Street and Bridge	Hotel-Motel Occupancy Tax	Police	Municipal Court
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ -	\$ 681,420	\$ 1,811,735	\$ 390,939	\$ 150,299
Investments	-	-	959,970	-	-
Receivables -					
Accounts and other	-	-	1,055	10,499	403
Loans	19,181	-	-	-	-
Assessments	-	4,817	-	-	-
Restricted assets-					
Cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 19,181</u>	<u>\$ 686,237</u>	<u>\$ 2,772,760</u>	<u>\$ 401,438</u>	<u>\$ 150,702</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities -					
Accounts payable	\$ -	\$ -	\$ 41,088	\$ 27,149	\$ 4,846
Interfund payables	-	-	9,616	-	-
Unearned revenue	-	4,817	83,589	-	-
Total liabilities	<u>-</u>	<u>4,817</u>	<u>134,293</u>	<u>27,149</u>	<u>4,846</u>
Fund balances -					
Reserved for federal seizure	-	-	-	357,985	-
Reserved for non-current loans receivable	19,181	-	-	-	-
Unreserved - undesignated	-	681,420	2,638,467	16,304	145,856
Total fund balances	<u>19,181</u>	<u>681,420</u>	<u>2,638,467</u>	<u>374,289</u>	<u>145,856</u>
Total liabilities and fund balances	<u>\$ 19,181</u>	<u>\$ 686,237</u>	<u>\$ 2,772,760</u>	<u>\$ 401,438</u>	<u>\$ 150,702</u>

<u>Landscape</u>	<u>Convention Center Revenue</u>	<u>Community Development Block Grant</u>	<u>Annexation Fees</u>	<u>Library Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 33,866	\$ -	\$ -	\$ 1,007,685	\$ 14,868	\$ 4,090,812
-	-	-	-	-	959,970
-	3	32,108	-	-	44,068
-	-	-	-	-	19,181
-	-	-	-	-	4,817
-	2,300	-	-	-	2,300
<u>\$ 33,866</u>	<u>\$ 2,303</u>	<u>\$ 32,108</u>	<u>\$ 1,007,685</u>	<u>\$ 14,868</u>	<u>\$ 5,121,148</u>
\$ 5,000	\$ -	\$ 32,108	\$ -	\$ 317	\$ 110,508
-	-	-	-	-	9,616
-	-	-	-	-	88,406
<u>5,000</u>	<u>-</u>	<u>32,108</u>	<u>-</u>	<u>317</u>	<u>208,530</u>
-	-	-	-	-	357,985
-	-	-	-	-	19,181
28,866	2,303	-	1,007,685	14,551	4,535,452
<u>28,866</u>	<u>2,303</u>	<u>-</u>	<u>1,007,685</u>	<u>14,551</u>	<u>4,912,618</u>
<u>\$ 33,866</u>	<u>\$ 2,303</u>	<u>\$ 32,108</u>	<u>\$ 1,007,685</u>	<u>\$ 14,868</u>	<u>\$ 5,121,148</u>

**CITY OF ROUND ROCK, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2005**

	1981 Community Development Block Grant	Street and Bridge	Hotel-Motel Occupancy Tax	Police	Municipal Court
<b>Revenues -</b>					
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	300,320	-
Intergovernmental	-	-	-	10,499	-
Hotel occupancy tax	-	-	1,905,049	-	-
Investment and other	-	11,779	42,150	2,934	55,640
Contributions	-	-	-	-	-
Total revenues	<u>-</u>	<u>11,779</u>	<u>1,947,199</u>	<u>313,753</u>	<u>55,640</u>
<b>Expenditures -</b>					
Current-					
General government	-	-	-	-	76,131
Public safety	-	-	-	64,830	-
Culture and recreation	-	-	773,068	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>773,068</u>	<u>64,830</u>	<u>76,131</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>11,779</u>	<u>1,174,131</u>	<u>248,923</u>	<u>(20,491)</u>
<b>Other financing sources /(uses) -</b>					
Transfers in	-	-	956,000	-	-
Transfers out	-	-	(1,868,671)	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>(912,671)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>11,779</u>	<u>261,460</u>	<u>248,923</u>	<u>(20,491)</u>
Fund balances, October 1, 2004	<u>19,181</u>	<u>669,641</u>	<u>2,377,007</u>	<u>125,366</u>	<u>166,347</u>
Fund balances, September 30, 2005	<u>\$ 19,181</u>	<u>\$ 681,420</u>	<u>\$ 2,638,467</u>	<u>\$ 374,289</u>	<u>\$ 145,856</u>

<u>Landscape</u>	<u>Convention Center Revenue</u>	<u>Community Development Block Grant</u>	<u>Annexation Fees</u>	<u>Library Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 8,625	\$ -	\$ -	\$ 455,797	\$ -	\$ 464,422
-	-	-	-	-	300,320
-	-	421,240	-	-	431,739
-	-	-	-	-	1,905,049
602	6,125	-	15,427	201	134,858
125	-	-	-	2,152	2,277
<u>9,352</u>	<u>6,125</u>	<u>421,240</u>	<u>471,224</u>	<u>2,353</u>	<u>3,238,665</u>
-	-	421,240	-	1,929	499,300
-	-	-	-	-	64,830
-	-	-	-	-	773,068
<u>-</u>	<u>-</u>	<u>421,240</u>	<u>-</u>	<u>1,929</u>	<u>1,337,198</u>
<u>9,352</u>	<u>6,125</u>	<u>-</u>	<u>471,224</u>	<u>424</u>	<u>1,901,467</u>
-	951,955	-	-	-	1,907,955
<u>-</u>	<u>(956,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,824,671)</u>
<u>-</u>	<u>(4,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(916,716)</u>
<u>9,352</u>	<u>2,080</u>	<u>-</u>	<u>471,224</u>	<u>424</u>	<u>984,751</u>
<u>19,514</u>	<u>223</u>	<u>-</u>	<u>536,461</u>	<u>14,127</u>	<u>3,927,867</u>
<u>\$ 28,866</u>	<u>\$ 2,303</u>	<u>\$ -</u>	<u>\$ 1,007,685</u>	<u>\$ 14,551</u>	<u>\$ 4,912,618</u>



## **NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for major capital projects (other than those financed by the proprietary fund). General obligation bonds are the primary funding source for capital projects.

**Streets and Drainage Fund** - To account for street and drainage improvements in the Arterial II section of the City. Financing is provided by general resources.

**1995 Series Certificates of Obligation (Yard and Fire Improvements Fund)** - To account for improvements to the maintenance yard and the acquisition of a fire pumper truck.

**Park Development Fund** – To account for the development and improvements to various neighborhood parks. Financing is provided by general government resources.

**1990 Series Certificates of Obligation (City Hall Complex Fund)** – To acquire the city hall complex.

**2002 General Obligation Bonds Fund** – To account for costs of public service and public safety facilities and streets and related improvements.

**1997 Series Certificates of Obligation (Streets and Public Safety Improvements Fund)** – To account for improvements to the City's streets and bridge system, and public safety systems.

**1998 Series General Obligation Bonds (Public Works, Police and Parks Facilities Improvements Fund)** – To account for improvements to public safety, public works and parks department facilities and improvements to the City's streets, sidewalks and traffic signal systems.

**Convention Center Complex Fund** – To account for construction and expansion of convention center complex. Funding is provided by the 1999 Series Hotel Tax Revenue Bonds, hotel tax revenues and private contributions.

**2000 Series Certificates of Obligation (Municipal Complex, Park Land & Streets Fund)** – To account for costs of constructing municipal office buildings, improving streets, drainage, sidewalks, City parks and fire department facilities.

**Tourism Development Fund** – To account for the development of tourism. Funding is provided by hotel tax revenues.

**CITY OF ROUND ROCK  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2005**

	<u>Streets and Drainage</u>	<u>1995 Series CO</u>	<u>Park Development</u>	<u>1990 Series CO</u>	<u>2002 General Obligation Bonds Fund</u>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 617,097	\$ -	\$ 125,953	\$ -	\$ -
Receivables -					
Accounts and other	139,206	-	-	-	-
Accrued interest	117,169	-	-	-	-
Assessments	902,761	-	-	-	-
Restricted assets-					
Cash and cash equivalents	-	64,297	-	2,846	12,372,120
Investments	-	-	-	-	4,967,813
Receivables	-	-	-	-	24,801
Total assets	<u>\$ 1,776,233</u>	<u>\$ 64,297</u>	<u>\$ 125,953</u>	<u>\$ 2,846</u>	<u>\$ 17,364,734</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities -					
Accounts payable	\$ 8	\$ -	\$ -	\$ -	\$ 954,242
Unearned revenue	902,761	-	87,106	-	-
Total liabilities	<u>902,769</u>	<u>-</u>	<u>87,106</u>	<u>-</u>	<u>954,242</u>
Fund balances -					
Reserved for authorized construction	-	64,297	-	2,846	16,410,492
Unreserved - unrestricted	873,464	-	38,847	-	-
Total fund balances	<u>873,464</u>	<u>64,297</u>	<u>38,847</u>	<u>2,846</u>	<u>16,410,492</u>
Total liabilities and fund balances	<u>\$ 1,776,233</u>	<u>\$ 64,297</u>	<u>\$ 125,953</u>	<u>\$ 2,846</u>	<u>\$ 17,364,734</u>

1997 Series CO	1998 Series GO	Convention Center Complex	2000 Series CO	Tourism Development Fund	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 743,050
-	-	-	-	-	139,206
-	-	553	-	-	117,722
-	-	-	-	-	902,761
147,300	1,191,018	258,473	861,473	213,346	15,110,873
-	-	-	-	-	4,967,813
-	-	-	-	-	24,801
<u>\$ 147,300</u>	<u>\$ 1,191,018</u>	<u>\$ 259,026</u>	<u>\$ 861,473</u>	<u>\$ 213,346</u>	<u>\$ 22,006,226</u>
\$ -	\$ 60,947	\$ -	\$ 7,974	\$ -	\$ 1,023,171
-	-	-	-	-	989,867
-	60,947	-	7,974	-	2,013,038
147,300	1,130,071	259,026	853,499	213,346	19,080,877
-	-	-	-	-	912,311
<u>147,300</u>	<u>1,130,071</u>	<u>259,026</u>	<u>853,499</u>	<u>213,346</u>	<u>19,993,188</u>
<u>\$ 147,300</u>	<u>\$ 1,191,018</u>	<u>\$ 259,026</u>	<u>\$ 861,473</u>	<u>\$ 213,346</u>	<u>\$ 22,006,226</u>



**CITY OF ROUND, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2005**

	Streets and Drainage	1995 Series CO	Park Development	1990 Series CO	2002 General Obligation Bonds Fund
<b>Revenues -</b>					
Investment and other	\$ 71,329	\$ -	\$ 10,631	\$ -	\$ 541,353
Contributions	137,091	-	-	-	-
Total revenues	<u>208,420</u>	<u>-</u>	<u>10,631</u>	<u>-</u>	<u>541,353</u>
<b>Expenditures -</b>					
Capital projects	-	1,734	-	-	7,890,534
Total expenditures	<u>-</u>	<u>1,734</u>	<u>-</u>	<u>-</u>	<u>7,890,534</u>
Excess (deficiency) of revenues over expenditures	<u>208,420</u>	<u>(1,734)</u>	<u>10,631</u>	<u>-</u>	<u>(7,349,181)</u>
<b>Other financing sources /(uses) -</b>					
Transfers in	-	-	-	-	329,885
Transfers out	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>329,885</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>208,420</u>	<u>(1,734)</u>	<u>631</u>	<u>-</u>	<u>(7,019,296)</u>
Fund balances, October 1, 2004	<u>665,044</u>	<u>66,031</u>	<u>38,216</u>	<u>2,846</u>	<u>23,429,788</u>
Fund balances, September 30, 2005	<u>\$ 873,464</u>	<u>\$ 64,297</u>	<u>\$ 38,847</u>	<u>\$ 2,846</u>	<u>\$ 16,410,492</u>

1997 Series CO	1998 Series GO	Convention Center Complex	2000 Series CO	Tourism Development Fund	Total Nonmajor Capital Projects Funds
\$ 2,611	\$ 26,928	\$ 3,463	\$ 16,389	\$ 846	\$ 673,550
-	-	-	-	-	137,091
<u>2,611</u>	<u>26,928</u>	<u>3,463</u>	<u>16,389</u>	<u>846</u>	<u>810,641</u>
1,207	741,133	187,241	59,260	26,000	8,907,109
<u>1,207</u>	<u>741,133</u>	<u>187,241</u>	<u>59,260</u>	<u>26,000</u>	<u>8,907,109</u>
<u>1,404</u>	<u>(714,205)</u>	<u>(183,778)</u>	<u>(42,871)</u>	<u>(25,154)</u>	<u>(8,096,468)</u>
-	-	187,300	-	238,500	755,685
-	-	<u>(1,871)</u>	-	-	<u>(11,871)</u>
-	-	<u>185,429</u>	-	<u>238,500</u>	<u>743,814</u>
1,404	(714,205)	1,651	(42,871)	213,346	(7,352,654)
<u>145,896</u>	<u>1,844,276</u>	<u>257,375</u>	<u>896,370</u>	-	<u>27,345,842</u>
<u>\$ 147,300</u>	<u>\$ 1,130,071</u>	<u>\$ 259,026</u>	<u>\$ 853,499</u>	<u>\$ 213,346</u>	<u>\$ 19,993,188</u>

**CITY OF ROUND ROCK, TEXAS**  
**PROJECT – LENGTH SCHEDULE OF CONSTRUCTION PROJECTS –**  
**ALL CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECTS TO SEPTEMBER 30, 2005**

	Streets and Drainage	1995 Series CO	Park Development	1990 Series CO	2002 Series GO	Self- Financed Construction
Total funding authorization	\$ -	\$1,715,553	\$ 941,316	\$1,700,039	\$ 33,254,901	\$45,126,804
Revenues and other financing sources -						
Intergovernmental	\$ -	\$ -	\$ 80,366	\$ -	\$ -	\$ 289,376
Contributions	-	-	120,315	-	-	8,905,181
Investment and other	-	115,720	547,857	27,276	1,598,000	393,238
Lease purchase proceeds	-	-	-	-	-	1,533,453
Proceeds of general obligation bonds	-	1,650,000	-	1,595,000	35,000,000	-
Transfers in	-	14,129	231,620	78,000	329,885	50,899,308
Other sources/transfers	-	-	-	-	-	-
	\$ -	\$1,779,849	\$ 980,158	\$1,700,276	\$ 36,927,885	\$62,020,556
Expenditures and other uses -						
Capital projects	\$ -	\$1,565,553	\$ 831,316	\$1,688,246	\$ 20,228,090	\$32,681,104
Transfers out	-	150,000	110,000	9,183	-	7,317,703
Other costs/transfers	-	-	-	-	289,302	-
	\$ -	\$1,715,553	\$ 941,316	\$1,697,429	\$ 20,517,392	\$39,998,807

1997 Series CO	1998 Series GO	Round Rock Transportation System Development Corporation	Convention Center Complex	2000 Series CO	2004 Series GO	Tourism Development Fund
<u>\$6,622,471</u>	<u>\$10,603,761</u>	<u>\$133,291,415</u>	<u>\$ 305,234</u>	<u>\$ 10,949,320</u>	<u>\$ 15,434,294</u>	<u>\$ 26,000</u>
\$ -	\$ 400,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -
300,000	-	-	-	-	-	-
685,484	1,195,900	1,615,643	12,250	675,181	583,687	846
-	-	-	-	-	-	-
5,185,000	8,905,000	56,364,331	-	10,493,786	19,435,000	-
589,285	887,934	32,374,196	552,010	100,000	-	238,500
-	-	-	-	-	690,600	-
<u>\$6,759,769</u>	<u>\$11,388,834</u>	<u>\$ 90,354,170</u>	<u>\$ 564,260</u>	<u>\$ 11,318,967</u>	<u>\$ 20,709,287</u>	<u>\$ 239,346</u>
\$3,893,555	\$ 9,728,963	\$ 85,236,849	\$ 294,537	\$ 10,306,960	\$ 1,008,081	\$ 26,000
2,728,916	529,799	-	10,697	-	329,885	-
-	-	455,000	-	158,509	359,909	-
<u>\$6,622,471</u>	<u>\$10,258,762</u>	<u>\$ 85,691,849</u>	<u>\$ 305,234</u>	<u>\$ 10,465,469</u>	<u>\$ 1,697,875</u>	<u>\$ 26,000</u>



**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL**

**GENERAL, DEBT SERVICE  
AND NONMAJOR SPECIAL REVENUE FUNDS**

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2005  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2004**

		Budgeted Amounts		Variance -	
	Actual	Original	Final	Positive (Negative)	2004 Actual
<b>Revenues -</b>					
<b>Taxes and franchise -</b>					
General property tax	\$ 11,317,343	\$ 10,825,000	\$ 11,265,000	\$ 52,343	\$10,351,980
Penalty and interest	92,015	40,000	80,000	12,015	67,892
City sales tax	43,539,383	36,660,000	43,484,598	54,785	36,482,227
Franchise	4,488,613	4,285,000	4,490,000	(1,387)	4,440,538
Bingo tax	26,406	24,000	24,000	2,406	29,051
Mixed drink tax	186,159	175,000	175,000	11,159	181,039
Total taxes and franchise	<u>59,649,919</u>	<u>52,009,000</u>	<u>59,518,598</u>	<u>131,321</u>	<u>51,552,727</u>
<b>Licenses, permits and fees -</b>					
Building permits	455,820	330,000	420,000	35,820	367,689
Other permits	6,184	20,600	3,600	2,584	12,538
Fees	292,549	229,400	258,400	34,149	197,009
Total licenses, permits and fees	<u>754,553</u>	<u>580,000</u>	<u>682,000</u>	<u>72,553</u>	<u>577,236</u>
<b>Charges for services -</b>					
Trash collection fees	1,001,974	818,000	965,000	36,974	843,750
Swimming pool fees	213,780	237,000	221,000	(7,220)	201,632
Recreation program fees	1,674,569	1,710,000	1,569,000	105,569	1,583,849
Filing and reproduction fees	419,215	280,000	365,000	54,215	319,855
Other	791,057	706,200	706,200	84,857	778,421
Total charges for services	<u>4,100,595</u>	<u>3,751,200</u>	<u>3,826,200</u>	<u>274,395</u>	<u>3,727,507</u>
<b>Fines and forfeitures</b>	<u>1,154,960</u>	<u>1,121,000</u>	<u>1,121,000</u>	<u>33,960</u>	<u>1,235,122</u>
<b>Intergovernmental</b>	<u>194,165</u>	<u>180,000</u>	<u>161,918</u>	<u>32,247</u>	<u>382,270</u>
<b>Investment and other -</b>					
Investment income	1,059,885	875,200	1,025,200	34,685	531,942
Other	1,033,228	527,500	1,022,500	10,728	668,269
Total investment and other	<u>2,093,113</u>	<u>1,402,700</u>	<u>2,047,700</u>	<u>45,413</u>	<u>1,200,211</u>
<b>Total revenues</b>	<u>67,947,305</u>	<u>59,043,900</u>	<u>67,357,416</u>	<u>589,889</u>	<u>58,675,073</u>

(CONTINUED)

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2005  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2004**

		Budgeted Amounts		Variance -	
	Actual	Original	Final	Positive (Negative)	2004 Actual
Expenditures -					
Current -					
General government					
Executive -					
Personnel services	\$ 5,903,847	\$ 6,132,079	\$ 6,003,091	\$ 99,244	\$ 5,600,115
Contractual services	2,267,166	2,257,160	2,369,828	102,662	2,150,421
Supplies and materials	261,849	319,031	295,457	33,608	257,543
Other services and charges	11,047,210	9,620,155	11,114,163	66,953	9,327,451
Capital outlay	124,120	100,010	142,599	18,479	133,288
Total executive	19,604,192	18,428,435	19,925,138	320,946	17,468,818
Judicial -					
Personnel services	380,096	421,206	392,696	12,600	348,772
Contractual services	131,972	155,243	135,243	3,271	124,535
Supplies and materials	18,294	17,974	17,974	(320)	25,813
Other services and charges	5,021	8,100	8,100	3,079	3,702
Total judicial	535,383	602,523	554,013	18,630	502,822
Total general government	20,139,575	19,030,958	20,479,151	339,576	17,971,640
Public safety					
Police-					
Personnel services	11,481,076	11,583,354	11,429,194	(51,882)	10,831,018
Contractual services	452,110	487,493	479,693	27,583	455,685
Supplies and materials	775,113	753,047	732,207	(42,906)	771,187
Other services and charges	458,299	434,506	450,471	(7,828)	316,569
Capital outlay	264,161	819,950	423,191	159,030	211,293
Total police	13,430,759	14,078,350	13,514,756	83,997	12,585,752
Fire -					
Personnel services	6,838,921	7,313,223	6,830,463	(8,458)	6,185,851
Contractual services	232,663	199,668	245,141	12,478	145,340
Supplies and materials	650,821	496,748	586,296	(64,525)	535,682
Other services and charges	116,254	178,901	115,489	(765)	101,070
Capital outlay	340,161	79,600	359,632	19,471	215,011
Total fire	8,178,820	8,268,140	8,137,021	(41,799)	7,182,954
Total public safety	21,609,579	22,346,490	21,651,777	42,198	19,768,706

(CONTINUED)



**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2005  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2004**

		Budgeted Amounts		Variance -	
	Actual	Original	Final	Positive (Negative)	2004 Actual
Expenditures - (cont'd)					
Current - (cont'd)					
Public works					
Administration -					
Personnel services	\$ 2,651,595	\$ 2,834,056	\$ 2,705,935	\$ 54,340	\$ 2,410,851
Contractual services	131,370	203,298	170,837	39,467	128,480
Supplies and materials	120,378	201,821	161,767	41,389	112,832
Other services and charges	45,857	78,750	73,750	27,893	25,758
Capital outlay	64,849	79,330	77,845	12,996	28,534
Total administration	3,014,049	3,397,255	3,190,134	176,085	2,706,455
Streets -					
Personnel services	2,088,038	2,217,613	2,107,643	19,605	2,117,083
Contractual services	843,632	3,065,291	932,611	88,979	794,005
Supplies and materials	536,323	680,093	650,093	113,770	629,290
Other services and charges	37,171	46,000	46,000	8,829	25,759
Capital outlay	62,597	198,600	108,301	45,704	174,609
Total streets	3,567,761	6,207,597	3,844,648	276,887	3,740,746
Maintenance shop -					
Personnel services	684,774	782,301	714,883	30,109	673,181
Contractual services	50,339	49,776	49,776	(563)	48,611
Supplies and materials	72,940	89,260	72,760	(180)	65,200
Other services and charges	6,644	8,000	8,000	1,356	6,799
Capital outlay	6,995	-	7,500	505	5,735
Total maintenance shop	821,692	929,337	852,919	31,227	799,526
Total public works	7,403,502	10,534,189	7,887,701	484,199	7,246,727

(CONTINUED)

**CITY OF ROUND ROCK, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL - CONTINUED  
YEAR ENDED SEPTEMBER 30, 2005  
WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2004**

	Actual	Budgeted Amounts		Variance - Positive (Negative)	2004 Actual
		Original	Final		
Expenditures - (cont'd)					
Current - (cont'd)					
Culture and recreation					
Library -					
Personnel services	\$ 1,301,200	\$ 1,339,968	\$ 1,324,801	\$ 23,601	\$ 1,155,151
Contractual services	155,427	171,633	170,343	14,916	182,053
Supplies and materials	80,836	88,335	88,335	7,499	87,042
Other services and charges	34,803	50,485	47,645	12,842	42,397
Capital outlay	308,365	311,382	325,697	17,332	305,561
Total library	1,880,631	1,961,803	1,956,821	76,190	1,772,204
Parks and recreation -					
Personnel services	4,222,713	4,614,134	4,487,687	264,974	4,120,363
Contractual services	1,278,502	1,290,451	1,270,902	(7,600)	1,285,863
Supplies and materials	909,897	1,000,322	911,159	1,262	917,249
Other services and charges	160,283	199,810	185,835	25,552	188,428
Capital outlay	157,658	301,150	200,413	42,755	140,863
Total parks and recreation	6,729,053	7,405,867	7,055,996	326,943	6,652,766
Total culture and recreation	8,609,684	9,367,670	9,012,817	403,133	8,424,970
Total expenditures	57,762,340	61,279,307	59,031,446	1,269,106	53,412,043
Excess (deficiency) of revenues over expenditures	10,184,965	(2,235,407)	8,325,970	1,858,995	5,263,030
Other financing sources (uses) -					
Lease purchase proceeds	600,000	600,000	600,000	-	575,000
Transfers in	1,640,000	1,640,000	1,640,000	-	1,640,000
Transfers out	(10,503,105)	-	(10,561,377)	58,272	(5,945,609)
Total other financing sources (uses)	(8,263,105)	2,240,000	(8,321,377)	58,272	(3,730,609)
Excess of revenues and other sources over expenditures and other uses	1,921,860	\$ 4,593	\$ 4,593	\$ 1,917,267	\$ 1,532,421
Fund balance, October 1, 2004	26,783,157				
Fund balance, September 30, 2005	\$ 28,705,017				

**CITY OF ROUND ROCK, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Original and Final Budgeted Amounts</u>	<u>Variance - Positive (Negative)</u>
Revenues -			
Property taxes, including interest and penalties	\$ 9,274,847	\$ 8,934,000	\$ 340,847
Investment and other	165,097	84,500	80,597
Total revenues	<u>9,439,944</u>	<u>9,018,500</u>	<u>421,444</u>
Expenditures -			
Debt service -			
Principal retirement	7,518,388	7,518,388	-
Interest and fiscal charges	8,046,683	8,133,879	87,196
Bond issuance costs	313,483	313,483	-
Total expenditures	<u>15,878,554</u>	<u>15,965,750</u>	<u>87,196</u>
Excess (deficiency) of revenues over expenditures	<u>(6,438,610)</u>	<u>(6,947,250)</u>	<u>508,640</u>
Other financing sources (uses) -			
Proceeds of refunding bonds	19,915,000	19,915,000	-
Premium on long-term debt issued	1,361,510	1,361,510	-
Payment to refunded bond escrow agent	(20,927,719)	(20,927,719)	-
Transfers in	6,353,883	6,393,275	(39,392)
Transfers out	(2,203)	(2,203)	-
Total other financing sources (uses)	<u>6,700,471</u>	<u>6,739,863</u>	<u>(39,392)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>261,861</u>	<u>\$ (207,387)</u>	<u>\$ 469,248</u>
Fund balance, October 1, 2004	<u>2,338,493</u>		
Fund balance, September 30, 2005	<u>\$ 2,600,354</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
1981 COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Fund balance, October 1, 2004	<u>\$ 19,181</u>		
Fund balance, September 30, 2005	<u><u>\$ 19,181</u></u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
STREET AND BRIDGE FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Investment and other	<u>\$ 11,779</u>	<u>\$ 11,779</u>	<u>\$ -</u>
Total revenues	11,779	<u><u>\$ 11,779</u></u>	<u><u>\$ -</u></u>
Fund balance, October 1, 2004	<u>669,641</u>		
Fund balance, September 30, 2005	<u><u>\$ 681,420</u></u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
HOTEL-MOTEL OCCUPANCY TAX FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	Actual	Final Budget	Variance- Positive (Negative)
Revenues -			
Hotel occupancy tax	\$ 1,905,049	\$ 1,675,000	\$ 230,049
Investment and other	42,150	25,000	17,150
Total revenues	<u>1,947,199</u>	<u>1,700,000</u>	<u>247,199</u>
Expenditures -			
Current -			
Culture and recreation -			
Personnel services	255,593	263,578	7,985
Contractual services	174,600	186,700	12,100
Supplies and materials	12,150	11,500	(650)
Other services and charges	328,100	384,347	56,247
Capital outlay	2,625	2,650	25
Total expenditures	<u>773,068</u>	<u>848,775</u>	<u>75,707</u>
Excess of revenues over expenditures	<u>1,174,131</u>	<u>851,225</u>	<u>322,906</u>
Other financing sources /(uses) -			
Transfers in	956,000	956,000	-
Transfers out	<u>(1,868,671)</u>	<u>(1,868,671)</u>	<u>-</u>
Total other financing sources/(uses)	<u>(912,671)</u>	<u>(912,671)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	261,460	<u>\$ (61,446)</u>	<u>\$ 322,906</u>
Fund balance, October 1, 2004	<u>2,377,007</u>		
Fund balance, September 30, 2005	<u>\$ 2,638,467</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
POLICE FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Fines and forfeitures	\$ 300,320	\$ 35,000	\$ 265,320
Intergovernmental	10,499	-	10,499
Investment and other	<u>2,934</u>	<u>1,378</u>	<u>1,556</u>
Total revenues	<u>313,753</u>	<u>36,378</u>	<u>277,375</u>
Expenditures -			
Current -			
Public safety -			
Capital outlay	<u>64,830</u>	<u>110,500</u>	<u>45,670</u>
Total expenditures	<u>64,830</u>	<u>110,500</u>	<u>45,670</u>
Excess (deficiency) of revenues over expenditures	248,923	<u>\$ (74,122)</u>	<u>\$ 323,045</u>
Fund balance, October 1, 2004	<u>125,366</u>		
Fund balance, September 30, 2005	<u>\$ 374,289</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
MUNICIPAL COURT FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Investment and other	<u>\$ 55,640</u>	<u>\$ 68,884</u>	<u>\$ (13,244)</u>
Total revenues	<u>55,640</u>	<u>68,884</u>	<u>(13,244)</u>
Expenditures -			
Current -			
General government -			
Personnel services	26,500	26,500	-
Supplies and materials	1,855	2,000	145
Other services and charges	4,084	34,000	29,916
Capital outlay	<u>43,692</u>	<u>72,000</u>	<u>28,308</u>
Total expenditures	<u>76,131</u>	<u>134,500</u>	<u>58,369</u>
Excess (deficiency) of revenues over expenditures	(20,491)	<u><u>\$ (65,616)</u></u>	<u><u>\$ 45,125</u></u>
Fund balance, October 1, 2004	<u>166,347</u>		
Fund balance, September 30, 2005	<u><u>\$ 145,856</u></u>		



**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
LANDSCAPE FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Licenses, permits and fees	\$ 8,625	\$ 8,625	\$ -
Investment and other	602	602	-
Contributions	<u>125</u>	<u>125</u>	<u>-</u>
Total revenues	9,352	<u><u>\$ 9,352</u></u>	<u><u>\$ -</u></u>
 Fund balance, October 1, 2004	 <u>19,514</u>		
 Fund balance, September 30, 2005	 <u><u>\$ 28,866</u></u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
CONVENTION CENTER REVENUE  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Investment and other	<u>\$ 6,125</u>	<u>\$ 6,125</u>	<u>\$ -</u>
Total revenues	<u>6,125</u>	<u>6,125</u>	<u>-</u>
Other financing sources /(uses) -			
Transfers in	951,955	951,955	-
Transfers out	<u>(956,000)</u>	<u>(956,000)</u>	<u>-</u>
Total other financing sources/(uses)	<u>(4,045)</u>	<u>(4,045)</u>	<u>-</u>
Excess (deficiency) of			
revenues and other financing sources			
over expenditures and other uses	2,080	<u>\$ 2,080</u>	<u>\$ -</u>
Fund balance, October 1, 2004	<u>223</u>		
Fund balance, September 30, 2005	<u>\$ 2,303</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Intergovernmental	\$ 421,240	\$ 421,240	\$ -
Total revenues	<u>421,240</u>	<u>421,240</u>	<u>-</u>
Expenditures -			
Current -			
General government -			
Personnel services	70,663	70,663	-
Contractual services	4,615	4,615	-
Supplies and materials	15,718	15,718	-
Other services and charges	164,610	164,610	-
Capital outlay	<u>165,634</u>	<u>165,634</u>	<u>-</u>
Total expenditures	<u>421,240</u>	<u>421,240</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, October 1, 2004	<u>-</u>		
Fund balance, September 30, 2005	<u>\$ -</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
ANNEXATION FEES FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
Revenues -			
Licenses, permits and fees	\$ 455,797	\$ 455,797	\$ -
Investment and other	<u>15,427</u>	<u>15,427</u>	<u>-</u>
Total revenues	471,224	<u>\$ 471,224</u>	<u>\$ -</u>
Fund balance, October 1, 2004	<u>536,461</u>		
Fund balance, September 30, 2005	<u>\$ 1,007,685</u>		

**CITY OF ROUND ROCK, TEXAS  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
LIBRARY FUND  
YEAR ENDED SEPTEMBER 30, 2005**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance- Positive (Negative)</u>
<b>Revenues-</b>			
Investment and other	\$      201	\$      201	\$      -
Contributions	<u>2,152</u>	<u>2,152</u>	<u>-</u>
Total revenues	<u>2,353</u>	<u>2,353</u>	<u>-</u>
<b>Expenditures -</b>			
Current -			
General government -			
Supplies and materials	<u>1,929</u>	<u>1,929</u>	<u>-</u>
Total expenditures	<u>1,929</u>	<u>1,929</u>	<u>-</u>
Excess of revenues over expenditures	424	<u>\$      424</u>	<u>\$      -</u>
 Fund balance, October 1, 2004	 <u>14,127</u>		
Fund balance, September 30, 2005	<u>\$  14,551</u>		

## **STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

### **AGENCY FUND**

Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**CITY OF ROUND ROCK, TEXAS  
AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ENCINO PLAZA PUBLIC IMPROVEMENT DISTRICT  
YEAR ENDED SEPTEMBER 30, 2005**

	Balances October 1, 2004	Additions	Deductions	Balances September 30, 2005
<u>Assets</u>				
Cash and cash equivalents	\$ 930,528	\$ 503,606	\$ 261,559	\$ 1,172,575
Total assets	<u>\$ 930,528</u>	<u>\$ 503,606</u>	<u>\$ 261,559</u>	<u>\$ 1,172,575</u>
<u>Liabilities</u>				
Due to participants	\$ 930,528	\$ 503,606	\$ 261,559	\$ 1,172,575
Total liabilities	<u>\$ 930,528</u>	<u>\$ 503,606</u>	<u>\$ 261,559</u>	<u>\$ 1,172,575</u>

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**





**CITY OF ROUND ROCK, TEXAS**  
**SCHEDULE OF CAPITAL ASSETS - BY SOURCES**  
**SEPTEMBER 30, 2005**

Capital assets -

Land	\$ 19,890,440
Buildings and improvements	411,829,253
Equipment	32,429,249
Construction in progress	<u>39,920,698</u>
	<u><u>\$ 504,069,640</u></u>

Investment in capital assets from -

Capital Projects Funds -

General obligation bonds	\$ 145,702,668
Federal grants	284,527
State grants	1,008,753
General Fund revenues	45,302,657
Special Revenue Fund revenues	66,021,904
Hotel Occupancy Tax revenues	20,199,839
Gifts	224,832,383
Special assessments	<u>716,909</u>
	<u><u>\$ 504,069,640</u></u>

**CITY OF ROUND ROCK, TEXAS  
SCHEDULE OF CAPITAL ASSETS -  
BY FUNCTION AND ACTIVITY  
SEPTEMBER 30, 2005**

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>
General Government -		
Control -		
Executive	\$ 140,850	\$ -
Staff agencies -		
Public works	7,026,714	293,740
Finance	568,899	-
Law	254,301	-
Planning and zoning	1,651,359	-
General government	37,568,946	3,504,052
Total staff agencies	47,070,219	3,797,792
Total general government	47,211,069	3,797,792
Public safety -		
Police protection	10,165,540	225,205
Fire protection	12,031,828	829,860
Inspection	204,851	-
Total public safety	22,402,219	1,055,065
Public works -		
City shop	1,811,879	-
Streets and drainage	347,555,398	3,549
Total public works	349,367,277	3,549
Culture and recreation -		
Library	7,177,598	278,252
Recreation	37,990,779	14,755,782
Total culture and recreation	45,168,377	15,034,034
Total capital assets allocated to functions	464,148,942	\$ 19,890,440
Construction in progress	39,920,698	
Total capital assets	\$ 504,069,640	

<u>Buildings and Improvements</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,850</u>
3,146,072	2,748,881	838,021
-	-	568,899
-	-	254,301
-	751,653	899,706
<u>28,507,413</u>	<u>3,441,106</u>	<u>2,116,375</u>
<u>31,653,485</u>	<u>6,941,640</u>	<u>4,677,302</u>
<u>31,653,485</u>	<u>6,941,640</u>	<u>4,818,152</u>
1,135,362	1,020,492	7,784,481
3,975,775	420,187	6,806,006
-	-	204,851
<u>5,111,137</u>	<u>1,440,679</u>	<u>14,795,338</u>
50,892	1,332,663	428,324
<u>571,901</u>	<u>341,531,473</u>	<u>5,448,475</u>
<u>622,793</u>	<u>342,864,136</u>	<u>5,876,799</u>
3,874,456	21,940	3,002,950
<u>7,957,035</u>	<u>11,341,952</u>	<u>3,936,010</u>
<u>11,831,491</u>	<u>11,363,892</u>	<u>6,938,960</u>
<u>\$ 49,218,906</u>	<u>\$ 362,610,347</u>	<u>\$ 32,429,249</u>

**CITY OF ROUND ROCK, TEXAS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS -  
BY FUNCTION AND ACTIVITY  
YEAR ENDED SEPTEMBER 30, 2005**

<u>Function and Activity</u>	<u>Capital Assets 10-1-04</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Capital Assets 09-30-05</u>
General Government -				
Control -				
Executive	\$ 127,202	\$ 28,082	\$ (14,434)	\$ 140,850
Staff Agencies -				
Public works	7,024,864	48,994	(47,144)	7,026,714
Finance	587,301	100,435	(118,837)	568,899
Law	231,623	46,387	(23,709)	254,301
Planning and zoning	1,414,026	250,826	(13,493)	1,651,359
General government	34,978,235	2,598,108	(7,397)	37,568,946
Total staff agencies	44,236,049	3,044,750	(210,580)	47,070,219
Total general government	44,363,251	3,072,832	(225,014)	47,211,069
Public safety -				
Police protection	9,537,168	789,000	(160,628)	10,165,540
Fire protection	8,909,506	3,605,262	(482,940)	12,031,828
Inspection	297,423	-	(92,572)	204,851
Total public safety	18,744,097	4,394,262	(736,140)	22,402,219
Public works -				
City shop	1,836,765	32,089	(56,975)	1,811,879
Streets and drainage	299,007,996	48,629,652	(82,250)	347,555,398
Total public works	300,844,761	48,661,741	(139,225)	349,367,277
Culture and recreation -				
Library	6,894,782	334,567	(51,751)	7,177,598
Recreation	36,907,600	1,189,810	(106,631)	37,990,779
Total culture and recreation	43,802,382	1,524,377	(158,382)	45,168,377
Construction in progress	55,424,031	27,972,915	(43,476,248)	39,920,698
Total capital assets	\$ 463,178,522	\$ 85,626,127	\$ (44,735,009)	\$ 504,069,640

**STATISTICAL SECTION**  
**(UNAUDITED)**

**CITY OF ROUND ROCK, TEXAS  
GOVERNMENT-WIDE REVENUES  
LAST THREE YEARS  
(UNAUDITED)**

	2005	2004	2003
<b>GENERAL REVENUES</b>			
Property taxes	\$ 20,486,575	\$ 18,699,378	\$ 17,463,237
Franchise taxes	4,488,608	4,687,213	4,255,978
Sales tax	58,052,509	48,642,969	45,023,664
Other taxes	2,117,614	1,860,238	1,823,929
Impact fees	8,648,921	5,810,326	6,215,734
Unrestricted grants and contributions	6,165,506	8,056,091	9,206,954
Investment income	4,929,956	2,174,214	2,891,741
Miscellaneous income	235,124	141,231	334,869
Total general revenues	<u>105,124,813</u>	<u>90,071,660</u>	<u>87,216,106</u>
<b>PROGRAM REVENUES</b>			
Charges for services	34,597,948	31,580,672	30,375,084
Operating grants and contributions	625,905	660,273	672,000
Capital grants and contributions	<u>15,623,337</u>	<u>12,430,274</u>	<u>18,081,344</u>
Total program revenues	<u>50,847,190</u>	<u>44,671,219</u>	<u>49,128,428</u>
Total revenues	<u><u>\$ 155,972,003</u></u>	<u><u>\$ 134,742,879</u></u>	<u><u>\$ 136,344,534</u></u>

Note: Round Rock, Texas first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.

**CITY OF ROUND ROCK, TEXAS  
GOVERNMENT-WIDE EXPENSES BY FUNCTION  
LAST THREE YEARS  
(UNAUDITED)**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government	\$ 20,282,360	\$ 19,713,687	\$ 19,642,141
Public safety	22,762,219	20,966,487	19,066,383
Public works	20,919,303	18,072,178	16,588,968
Culture and recreation	10,921,173	10,246,850	9,325,558
Interest on long-term debt	8,358,830	7,433,425	7,393,065
Water and sewer utility	25,051,538	22,543,579	20,182,559
Golf course	<u>215,595</u>	<u>173,136</u>	<u>162,996</u>
Total	<u>\$ 108,511,018</u>	<u>\$ 99,149,342</u>	<u>\$ 92,361,670</u>

Note: Round Rock, Texas first applied GASB Statement No. 34 in fiscal year 2003; therefore, government-wide financial information for years prior to fiscal year 2003 is not available.



**CITY OF ROUND ROCK, TEXAS  
GENERAL REVENUES BY SOURCE (1)  
LAST TEN YEARS  
(UNAUDITED)**

<b>Fiscal Year Ended 30-Sep</b>	<b>Taxes and Franchise</b>	<b>Licenses and Permits</b>	<b>Charges for Services</b>	<b>Fines and Forfeitures</b>
1996	\$ 18,133,838	\$ 539,241	\$ 1,210,486	\$ 661,483
1997	21,801,655	515,852	1,318,516	660,196
1998	29,617,637	669,622	1,611,370	898,496
1999	39,598,214	743,791	1,609,133	879,865
2000	47,424,826	970,656	2,268,857	729,172
2001	58,333,682	799,550	3,010,382	834,185
2002	59,029,046	628,550	3,282,764	1,078,089
2003	66,699,982	801,108	3,451,103	1,043,055
2004	71,743,446	679,754	3,727,507	1,286,754
2005	83,437,892	1,218,975	4,100,595	1,455,280

(1) - Above data are for General, Special Revenue and Debt Service Funds.

Special Assessments	Intergovernmental	Hotel Occupancy Tax	Investment and Other	Total
\$ 27,972	\$ 144,645	\$ 235,565	\$ 938,688	\$ 21,891,918
26,846	196,305	339,592	1,415,145	26,274,107
267,416	88,713	434,356	1,524,701	35,112,311
28,177	294,221	616,483	1,951,468	45,721,352
2,041	647,445	1,017,826	2,980,466	56,041,289
1,021	1,185,810	1,354,429	4,193,627	69,712,686
-	735,590	1,477,050	2,798,290	69,029,379
4,963	754,431	1,618,744	1,985,789	76,359,175
2,978	726,414	1,650,148	1,737,791	81,554,792
-	625,904	1,905,049	3,815,448	96,559,143



**CITY OF ROUND ROCK, TEXAS  
GENERAL EXPENDITURES BY FUNCTION  
LAST TEN YEARS  
(UNAUDITED)**

<b>Fiscal Year Ended 30-Sep</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Culture and Recreation</b>	<b>Debt Service</b>	<b>Total</b>
1996	\$ 3,925,200	\$ 6,803,488	\$ 2,579,777 *	\$ 2,637,704	\$ 6,519,963	\$ 22,466,132
1997	5,577,920	8,047,235	2,999,461 *	3,190,056	7,210,759	27,025,431
1998	6,440,010	9,583,146	3,559,959 *	3,312,479	7,287,282	30,182,876
1999	8,897,742	10,958,903	4,035,009	4,070,940	7,589,040	35,551,634
2000	11,979,536	12,698,746	5,234,245	5,164,311	7,895,740	42,972,578
2001	14,675,517	15,074,503	6,240,934	7,223,780	10,034,421	53,249,155
2002	15,071,967	16,767,233	6,448,449	7,568,798	11,509,307	57,365,754
2003	17,231,171	18,099,093	7,277,171	8,412,271	13,561,167	64,580,873
2004	18,343,416	19,818,241	7,430,727	9,088,693	14,792,829	69,473,906
2005	20,638,875	21,674,409	7,587,502	9,382,752	15,878,554	75,162,092

Note - Above data are for General, Special Revenue and Debt Service Funds.

\* - The capital project expenditures in the Special Revenue Funds are included in Public Works.

**CITY OF ROUND ROCK, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1996	\$ 7,295,538	\$ 7,188,878	98.54 %
1997	7,883,421	7,809,238	99.06
1998	8,692,342	8,601,905	98.96
1999	9,888,321	9,790,084	99.01
2000	10,804,487	10,686,138	98.90
2001	12,296,243	12,181,034	99.06
2002	14,487,121	14,335,048	98.95
2003	17,312,012	17,129,231	98.94
2004	18,357,480	18,117,224	98.69
2005	20,242,880	20,103,093	99.31

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collection to Tax Levy</u>
\$ 87,561	\$ 7,276,439	99.74 %
73,884	7,883,122	100.00
82,119	8,684,024	99.90
92,895	9,882,979	99.95
122,565	10,808,703	100.04
361,469	12,542,503	102.00
196,322	14,531,370	100.31
185,073	17,314,304	100.01
205,456	18,322,680	99.81
283,520	20,386,613	100.71

**CITY OF ROUND ROCK, TEXAS  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(UNAUDITED)**

Fiscal Year	Gross Assessed Value			Total
	Assessment Ratio	Real Property	Personal Property	
1996	100 %	\$ 1,496,294,910	\$ 311,336,059	\$ 1,807,630,969
1997	100	1,759,724,187	358,435,090	2,118,159,277
1998	100	2,077,547,602	428,959,755	2,506,507,357
1999	100	2,306,196,524	486,851,223	2,793,047,747
2000	100	2,670,155,112	504,988,781	3,175,143,893
2001	100	3,270,519,641	712,609,336	3,983,128,977
2002	100	3,977,561,419	853,720,952	4,831,282,371
2003	100	4,536,275,722	832,454,143	5,368,729,865
2004	100	4,603,800,464	786,481,840	5,390,282,304
2005	100	4,794,995,393	726,483,588	5,521,478,981

**Source:** Round Rock Independent School District Tax Office

Reductions to Gross Assessed Value				
Property Tax Exemptions				
Over 65	Disabled and Deceased Veterans	Freeport, Property, Redevelopment, Agricultural and Other	Total Taxable Assessed Valuation	
\$ 15,660,868	\$ 657,500	\$ 80,063,271	\$ 1,711,249,330	
16,917,414	2,097,500	122,358,756	1,976,785,607	
18,437,050	2,340,000	180,388,498	2,305,341,809	
19,897,723	2,526,000	202,228,959	2,568,395,065	
21,604,689	2,735,000	173,951,536	2,976,852,668	
23,737,949	2,990,000	233,763,660	3,722,637,368	
23,871,132	3,095,500	306,187,720	4,498,128,019	
26,861,588	3,718,500	279,116,463	5,059,033,314	
28,515,439	4,000,000	217,804,048	5,139,962,817	
30,568,409	4,497,000	155,265,881	5,331,147,691	



**CITY OF ROUND ROCK, TEXAS  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUE  
LAST TEN YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>City</b>	<b>Round Rock Independent School District</b>	<b>Williamson County</b>	<b>Total</b>
1996	\$ 0.4264	\$ 1.6209	\$ 0.3378	\$ 2.3851
1997	0.3988	1.6300	0.2712	2.3000
1998	0.3770	1.6396	0.2960	2.3126
1999	0.3850	1.7575	0.2990	2.4415
2000	0.3629	1.7111	0.2995	2.3735
2001	0.3303	1.7086	0.3477	2.3866
2002	0.3221	1.7387	0.3543	2.4151
2003	0.3422	1.7924	0.4154	2.5500
2004	0.3572	1.8643	0.4482	2.6697
2005	0.3797	1.8572	0.4789	2.7158

**Source:** Williamson County Tax Office

**CITY OF ROUND ROCK, TEXAS  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)**

<b>Fiscal Year Ended 30-Sep</b>	<b>Current Assessments Due</b>	<b>Current Assessments Collected</b>	<b>Ratio of Collections to Amount Due</b>	<b>Total Outstanding Assessments</b>
1996	\$ 31,482	\$ 16,849	54 %	\$ 67,230
1997	31,482	26,846	85	40,384
1998	307,800	267,416	87	46,507
1999	42,425	28,177	66	18,330
2000	13,228	2,041	15	16,289
2001	13,228	1,021	8	15,269
2002	14,248	-	-	15,269
2003	799,610	789,304	99	10,306
2004	310,811	305,993	98	907,578
2005	4,817	-	-	907,578

**CITY OF ROUND ROCK, TEXAS  
RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED PER CAPITA  
LAST TEN YEARS  
(UNAUDITED)**

Fiscal Year Ended 30-Sep	(1) Popu- lation	Net Assessed Value (in thousands)	(2) Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1996	45,355	\$ 1,711,249	\$51,967,000	\$ 1,482,719	\$ 50,484,281	2.95 %	\$ 1,113.09
1997	47,760	1,976,786	53,435,000	1,161,951	52,273,049	2.64	1,094.49
1998	50,905	2,305,342	61,628,000	1,083,021	60,544,979	2.63	1,189.37
1999	56,030	2,568,395	57,861,000	1,876,382	55,984,618	2.18	999.19
2000	60,340	2,976,853	65,004,000	1,471,892	63,532,108	2.13	1,052.90
2001	68,835	3,722,637	61,262,000	2,132,743	59,129,257	1.59	859.00
2002	73,295	4,498,128	92,640,000	2,074,841	90,565,159	2.01	1,235.63
2003	77,600	5,059,033	90,432,000	2,304,816	88,127,184	1.74	1,135.66
2004	81,825	5,139,963	106,244,000	2,338,493	103,905,507	2.02	1,269.85
2005	86,000	5,331,148	102,151,000	2,600,354	99,550,646	1.87	1,157.57

Note - Includes Certificates of Obligation and General Obligation Bonds.

(1) Source: Planning Department, City of Round Rock

(2) Gross bonded debt includes self-supporting debt funded by enterprise funds.

Gross self-supporting debt totaled \$ 5,972,614 at September 30, 2005

**CITY OF ROUND ROCK, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
SEPTEMBER 30, 2005  
(UNAUDITED)**

Total assessed value		<u>\$5,331,147,691</u>
Debt limit - Maximum serviceable at permitted allocation of \$ 1.50 per \$100 of assessed value		\$ 955,638,811
Amount of debt applicable to debt limit:		
Total General Obligation Debt	\$ 102,151,000	
Less:		
Amount available in Debt Service Fund	\$ 2,600,354	
Amounts considered self-supporting	5,972,614	
Other deductions allowed by law:		
Special Assessment Bonds	<u>-</u>	
Total deductions	<u>8,572,968</u>	
Total amount of debt applicable to debt limit		<u>93,578,032</u>
Legal debt margin		<u>\$ 862,060,779</u>

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), approved by voters in August, 1977, that limits the maximum tax rate, for all City purposes, to \$ 2.50 per \$ 100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$ 1.50 of the \$ 2.50 maximum tax rate for general obligation debt service.

Assuming the maximum tax rate for debt service of \$ 1.50 on January 1, 2004, assessed valuation of \$ 5,331,147,691 at 100% collection, tax revenue of \$ 79,967,215 would be produced. This revenue could service the debt on \$ 955,638,811 issued as 20-year serial bonds at 5.50% (with level debt service payment).

**CITY OF ROUND ROCK, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2005  
(UNAUDITED)**

Name of Governmental Unit	Total General Debt Outstanding		Percentage Applicable to City of Round Rock		Amount Applicable to City of Round Rock
City of Round Rock	\$ 102,151,000	*	100.00	%	\$ 102,151,000
Round Rock Independent School District	370,170,961	**	28.68		106,165,032
Williamson County	426,350,000	*	19.50		83,138,250
Georgetown ISD	62,429,977	**	0.03		18,729
Travis County	<u>411,391,999</u>	*	0.46		<u>1,892,403</u>
Total	<u>\$ 1,372,493,937</u>				<u>\$ 293,365,414</u>

\* Gross Debt as of 9-30-05

\*\* Gross Debt as of 6-30-05

Source: City of Round Rock Finance Department and Texas Municipal Reports

**CITY OF ROUND ROCK, TEXAS**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>Fiscal Year Ended 30-Sep</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>(1) Total General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1996	\$ 3,965,152	\$ 2,554,811	\$ 6,519,963	\$ 22,466,132	29.0 %
1997	4,351,757	2,859,002	7,210,759	27,025,431	26.7
1998	4,244,493	3,042,789	7,287,282	30,182,876	24.1
1999	4,268,300	3,320,740	7,589,040	35,551,634	21.3
2000	4,156,328	3,140,833	7,297,161 (2)	42,972,578	17.0
2001	4,331,667	3,708,433	8,040,100 (2)	53,249,155	15.1
2002	4,432,962	3,118,996	7,551,958 (2)	57,365,754	13.2
2003	2,960,432	5,321,465	8,281,897 (2)	64,580,873	12.8
2004	4,555,211	4,380,264	8,935,475 (2)	69,473,906	12.9
2005	5,086,570	5,184,530	10,271,100 (2)	75,162,092	13.7

(1) Includes General, Special Revenue, and Debt Service Funds

(2) Total debt service for general bonded debt does not include self-supporting Hotel Tax and Sales Tax Revenue Bond and State Infrastructure Loan payments, which totaled \$ 5,293,970 for fiscal year ended September 30, 2005.

**CITY OF ROUND ROCK, TEXAS  
SCHEDULE OF REVENUE BOND COVERAGE  
LAST TEN YEARS  
(UNAUDITED)**

<u>Fiscal Year Ended 30-Sep</u>	<u>(1) Gross Revenue</u>		<u>(2) Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements Principal and Interest</u>	<u>Revenue Bond Coverage</u>
1996	\$ 14,621,577		\$ 5,595,285	\$ 9,026,292	\$ 1,779,260	5.07
1997	16,649,651	(3)	8,015,148	8,634,503	1,745,528	4.95
1998	18,031,066		8,632,306	9,398,760	1,751,339	5.37
1999	19,065,800		8,762,007	10,303,793	1,745,175	5.90
2000	23,867,459		10,561,505	13,305,954	1,765,565	7.54
2001	24,333,346		12,645,648	11,687,698	1,575,210	7.42
2002	25,436,842		13,840,556	11,596,286	1,583,835	7.32
2003	24,895,722		15,328,369	9,567,353	1,392,358	6.87
2004	25,583,013		16,467,400	9,115,613	1,279,975	7.12
2005	28,197,344		18,452,453	9,744,891	1,016,058	9.59

(1) Water and Sewer Fund operating and non-operating revenues.

(2) Water and Sewer Fund operating expenses, excluding depreciation.

(3) Excludes lawsuit settlement proceeds of \$ 6,120,000.

**CITY OF ROUND ROCK, TEXAS  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Per Capita Income</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
1996	45,355	\$ 19,053	26,107	1.7 %
1997	47,760	20,737	27,223	1.9
1998	50,905	21,929	28,455	1.8
1999	56,030	23,453	30,100	1.5
2000	60,340	26,149	31,572	1.3
2001	68,835	28,552	32,652	3.9
2002	73,295	29,822	34,120	4.7
2003	77,600	26,940	35,579	4.7
2004	81,825	26,979	36,608	3.1
2005	86,000	28,178	37,909	3.7

**Sources:**

(1) Planning Department, City of Round Rock

(2) Texas Workforce Commission; data is for Williamson County, which is representative of the City, data for City not available.

(3) Round Rock Independent School District

(4) Texas Workforce Commission; data is for the City of Round Rock.



**CITY OF ROUND ROCK, TEXAS  
PROPERTY, VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN YEARS  
(UNAUDITED)**

Fiscal Year Ended 30-Sep	(1)	(2)	(3)		(3)	
	Commercial Bank Deposits	Property Value	Commercial Units	Construction Value	Residential Units	Construction Value
1996	N/A	\$ 1,807,630,969	57	\$ 150,287,986	1,065	\$ 104,926,563
1997	N/A	2,118,159,277	55	73,791,058	962	82,813,943
1998	N/A	2,506,507,357	54	185,095,131	1,355	124,003,089
1999	N/A	2,793,047,747	52	67,529,071	1,667	152,341,464
2000	N/A	3,175,143,893	83	139,196,103	1,724	174,486,516
2001	N/A	3,983,128,977	56	93,120,082	1,363	173,065,113
2002	N/A	4,831,282,371	37	47,137,000	1,401	156,999,872
2003	N/A	5,368,729,865	30	26,568,200	1,353	155,048,240
2004	N/A	5,390,282,304	34	37,220,290	1,317	150,641,132
2005	N/A	5,521,478,981	47	138,768,350	1,332	173,127,884

**Sources:** (1) Round Rock Chamber of Commerce and FDIC

(2) Round Rock Independent School District Tax Office

(3) City Inspection Department

N/A Information is unavailable on a local basis

**CITY OF ROUND ROCK, TEXAS  
PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2005  
(UNAUDITED)**

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Net Assessed Valuation</u>	<u>% of Total Net Assessed Valuation</u>
Dell Computer Holdings, LP	Electronic Equipment	\$ 178,337,086	3.345 %
Baltgem Development Corp.	Property Management	78,354,834	1.470
Dell Computer Corp.	Electronic Equipment	71,584,394	1.343
Oncor Electric Delivery Co.	Electric Utility	39,290,012	0.737
DuPont Photomasks, Inc.	Photomask Manufacturer	38,491,250	0.722
Columbia/St. David Healthcare	Healthcare Facilities	27,472,523	0.515
Drever, Limestone, LP	Property Management	26,846,544	0.504
2800 La Frontera #1A, LTD	Property Management	23,557,086	0.442
A & B Texas, LLC	Property Management	23,306,673	0.437
Lakeside II Partners, LP	Property Management	<u>21,015,396</u>	<u>0.394</u>
		<u><u>\$ 528,255,798</u></u>	<u><u>9.909 %</u></u>

**CITY OF ROUND ROCK, TEXAS  
HOTEL TAXPAYERS  
SEPTEMBER 30, 2005  
(UNAUDITED)**

Taxpayer	Total Collections Year Ended September 30, 2005	Number of Rooms
La Quinta Inn	\$ 94,804	116
Courtyard by Marriott	115,977	113
Red Roof Inn	67,491	107
Baymont Inn	70,662	93
Best Western Executive Inn	57,950	67
Days Inn & Suites	28,778	49
Super 8 Motel	41,050	62
Extended Stay America # 6030	40,115	138
Wingate Inn	74,756	101
Holiday Inn	69,939	90
Residence Inn	149,363	96
Hilton Garden Inn	133,423	122
Comfort Suites	60,447	62
Springhill Suites	99,731	104
Hampton Inn	131,637	93
Staybridge Suites	71,291	81
Austin Marriott North	469,941	295
Candlewood Suites	45,619	98
Lodge at Warner Ranch	-	5
Extended Stay America # 6197	45,024	104
Country Inn & Suites	37,051	61
	<u>\$ 1,905,049</u>	<u>2,057</u>

**CITY OF ROUND ROCK, TEXAS**  
**HOTEL OCCUPANCY TAX COLLECTION HISTORY BY QUARTER**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<b>Fiscal Year Ended 30-Sep</b>	<b>1st Quarter Oct-Dec</b>	<b>2nd Quarter Jan-Mar</b>	<b>3rd Quarter Apr-June</b>	<b>4th Quarter July-Sept</b>	<b>Total</b>
1996	\$ 58,008	\$ 59,915	\$ 45,806	\$ 71,836	\$ 235,565
1997	60,820	76,515	89,230	113,027	339,592
1998	102,162	99,392	101,966	130,835	434,355
1999	121,858	134,096	163,087	197,442	616,483
2000	219,642	215,824	255,911	326,448	1,017,825
2001	323,789	308,735	333,479	388,426	1,354,429
2002	360,606	307,427	368,583	440,434	1,477,050
2003	401,794	367,136	410,803	439,011	1,618,744
2004	406,795	352,486	414,176	476,691	1,650,148
2005	448,789	401,171	476,219	578,870	1,905,049

**CITY OF ROUND ROCK, TEXAS  
TOP TEN WATER CUSTOMERS  
SEPTEMBER 30, 2005  
(UNAUDITED)**

<u>Name of Customer</u>	<u>Type of Business</u>	<u>Water Consumption in Gallons</u>	<u>% of Total Water Consumption in Gallons</u>
Brushy Creek Municipal Utility District	Municipal Utility District	685,889,700	12.177 %
Fern Bluff Municipal Utility District	Municipal Utility District	289,521,200	5.140
Chandler Creek Municipal Utility District	Municipal Utility District	163,900,800	2.910
Dell, Inc.	Electronic Equipment	140,270,000	2.490
Round Rock Independent School District	Public Schools	80,148,600	1.423
Vista Oaks Municipal Utility District	Municipal Utility District	55,538,000	0.986
Michael Angelo's	Food Production	53,255,500	0.945
Aquasource-Tonkawa Springs	Water Service Provider	43,461,500	0.772
Cypress Semiconductor	Electronic Components	42,490,400	0.754
Cintas Corp.	Uniform Rental	40,090,300	0.712
		<u>1,594,566,000</u>	<u>28.309 %</u>

**CITY OF ROUND ROCK, TEXAS  
WATER AND SEWER RETAIL RATES  
SEPTEMBER 30, 2005  
(UNAUDITED)**

**Water rates for retail customers inside the city limits are as follows:**

Volume Rate	Monthly Service Charge	
\$ 1.96 per 1,000 gallons of water used by all customers	Meter Size Base Serving Customer	Monthly Water Service Charge
	5/8 inch	\$ 11.60
	3/4 inch	16.33
	1 inch	25.78
	1 1/2 inch	49.40
	2 inch	77.75
	3 inch	143.90
	4 inch	238.40
	6 inch	758.15
	8 inch	1,325.15
	10 inch	2,081.15
	12 inch	2,553.65

**Sewer rates for retail customers inside the city limits are as follows:**

Volume Rate	Monthly Service Charge	
\$ 2.26 per 1,000 gallons of water used by all customers	Meter Size Base Serving Customer	Monthly Sewer Service Charge
	5/8 inch	\$ 9.08
	3/4 inch	11.85
	1 inch	17.00
	1 1/2 inch	31.00
	2 inch	47.80
	3 inch	87.00
	4 inch	143.00
	6 inch	451.00
	8 inch	787.00
	10 inch	1,235.00
	12 inch	1,515.00

\* Sewer customers' volume is measured as the rate per 1,000 gallons of the lesser of a three month winter average or actual water use.

**CITY OF ROUND ROCK, TEXAS  
MISCELLANEOUS STATISTICS  
SEPTEMBER 30, 2005  
(UNAUDITED)**

Established (1)	1850
Date of Incorporation	1913
Form of Government	Council - Manager
Area	29 Square miles

Fire Protection (2) -	
Number of stations	7
Number of firefighters	105

Police protection (2) -	
Number of stations	1
Number of police officers	120

Municipal water department (2) -	
Number of consumers	26,650
Average monthly consumption	474,500,000 Gallons

Residential, commercial, industrial building permits (2)	1,379
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Recreation and culture (2) -	
Number of parks	80
Number of libraries	1
Number of library volumes	155,000 (approx.)

Employees (full-time equivalents) (2)	766
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**Sources:**

- (1) Round Rock Chamber of Commerce
- (2) City of Round Rock